FOREIGN AFFAIRS

Vol. 32 APRIL 1954 No. 3

POLICY FOR SECURITY AND PEACE

By John Foster Dulles

SINCE World War II, the United States has faced the difficult task of finding policies which would be adequate for security and peace and at the same time compatible with its traditions. Never before has a great nation been called upon to adjust its thinking and its action so radically in so short a period.

During the nineteenth century the maintenance of peace and order depended largely on Great Britain, with its Navy and the system of naval bases which enabled it to operate with mobility and flexibility throughout the world. By suitable commercial, investment and monetary policies, Great Britain and other nations with surplus capital stimulated economic growth in underdeveloped areas. The French Revolution had aroused men to respect and promote human rights and fundamental freedoms. The United States also made its contribution. Our people devoted their energies largely to domestic matters, not because they lacked concern for others but believing that what our founders called "the conduct and example" of freedom would exert a liberating influence everywhere. In fact, it did so. The "great American experiment" was a source of hope and inspiration to men everywhere, and especially to those living under despotism. Our dynamic example of freedom drew many to our shores and inspired others, in the old world and the new, to emulate our course.

All of these influences contributed to giving the world relative peace and security for the 100 years between the ending of the Napoleonic wars and the beginning of the First World War. During this period there were many advances in the practice of political liberty, and generally throughout the world there was a great advance in material and social well-being.

The events of the twentieth century, and especially the two World Wars and their aftermaths, have created an entirely new situation. In large measure the United States has inherited a responsibility for leadership which, in the past, has been shared

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by several nations. Today there rests upon us, to a unique degree, the threefold task of providing insurance against another world war; of demonstrating the good fruits of freedom which undermine the rule of despots by contrast; and of providing a major part of the effort required for the healthy growth of underdeveloped areas.

The Eisenhower Administration inherited security policies that had much worth. Many of these policies were bipartisan in character. They reflected a national recognition of the peril facing the civilized world, a united determination to meet it, and an acceptance of the rôle of leadership thrust on us by events. We had helped to reëstablish the economies of other countries shattered by the war. We had taken a major part in resisting the aggression in Korea. In the face of the Soviet threat we were engaged in rebuilding our military strength and that of other free countries.

These and like measures were costly. But they were necessary to our security. However, they partook much of an emergency character. By 1953 there was need to review our security planning and to adjust our continuing military effort to the other requirements of a well-rounded, permanent policy.

Under the conditions in which we live, it is not easy to strike a perfect balance between military and non-military efforts and to choose the type of military effort which serves us best. The essential is to recognize that there is an imperative need for a balance which holds military expenditures to a minimum consistent with safety, so that a maximum of liberty may operate as a dynamic force against despotism. That is the goal of our policy.

II. THE NATURE OF THE THREAT

The threat we face is not one that can be adequately dealt with on an emergency basis. It is a threat that may long persist. Our policies must be adapted to this basic fact.

The Soviet menace does not reflect the ambitions of a single ruler, and cannot be measured by his life expectancy. There is no evidence that basic Soviet policies have been changed with the passing of Stalin. Indeed, the Berlin Conference of last February gave positive evidence to the contrary. The Soviet Communists have always professed that they are planning for what they call "an entire historical era."

The assets behind this threat are vast. The Soviet bloc of Communist-controlled countries—a new form of imperialist colonial-

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ism—represents a vast central land mass with a population of 800,000,000. About 10,000,000 men are regularly under arms, with many more trained millions in reserve. This land force occupies a central position which permits of striking at any one of about 20 countries along a perimeter of some 20,000 miles. It is supplemented by increasing air power, equipped with atomic weapons, able to strike through northern Arctic routes which bring our industrial areas in range of quick attack.

The threat is not merely military. The Soviet rulers dispose throughout the world of the apparatus of international Communism. It operates with trained agitators and a powerful propaganda organization. It exploits every area of discontent, whether it be political discontent against "colonialism" or social discontent against economic conditions. It seeks to harass the existing order and pave the way for political coups which will install Communist-controlled régimes.

By the use of many types of manœuvres and threats, military and political, the Soviet rulers seek gradually to divide and weaken the free nations and to make their policies appear as bankrupt by overextending them in efforts which, as Lenin put it, are "beyond their strength." Then, said Lenin, "our victory is assured." Then, said Stalin, will be the "moment for the decisive blow."

It is not easy to devise policies which will counter a danger so centralized and so vast, so varied and so sustained. It is no answer to substitute the glitter of steel for the torch of freedom.

An answer can be found by drawing on those basic concepts which have come to be regularly practised within our civic communities. There we have almost wholly given up the idea of relying primarily on house-by-house defense. Instead, primary reliance is placed upon the combining of two concepts, namely, the creation of power on a community basis and the use of that power so as to deter aggression by making it costly to an aggressor. The free nations must apply these same principles in the international sphere.

III. COMMUNITY DEFENSE

The cornerstone of security for the free nations must be a collective system of defense. They clearly cannot achieve security separately. No single nation can develop for itself defensive power of adequate scope and flexibility. In seeking to do so, each

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would become a garrison state and none would achieve security.

This is true of the United States. Without the coöperation of allies, we would not even be in a position to retaliate massively against the war industries of an attacking nation. That requires international facilities. Without them, our air striking power loses much of its deterrent power. With them, strategic air power becomes what Sir Winston Churchill called the "supreme deterrent." He credited to it the safety of Europe during recent years. But such power, while now a dominant factor, may not have the same significance forever. Furthermore, massive atomic and thermonuclear retaliation is not the kind of power which could most usefully be evoked under all circumstances.

Security for the free world depends, therefore, upon the development of collective security and community power rather than upon purely national potentials. Each nation which shares the security should contribute in accordance with its capabilities and facilities. The Inter-American Treaty of Reciprocal Assistance (Rio Pact) of 1947 set a postwar example in establishing the principle that an armed attack against one would be considered as an attack against all. The North Atlantic Treaty is based on the same principle. Its members have gone much further in organizing joint forces and facilities as a part of the integrated security system. NATO provides essential air and naval bases, to which its various members can contribute—each according to its means and capabilities. It provides the planes and ships and weapons which can use these bases. It provides so many points from which an aggressor could be harassed, in so many different ways, that he cannot prudently concentrate his forces for offense against a single victim.

While NATO best exemplifies this collective security concept, there are other areas where the same concept is evolving, although as yet in a more rudimentary form. An example is the Western Pacific, where the United States has a series of collective security treaties which now embrace Australia, New Zealand, the Philippines, Japan and Korea. Collective arrangements are now in the making in the Middle East, with Turkey-Pakistan as the nucleus. These developments show the growing acceptance of the collective security concept we describe.

The United Nations is striving to make collective security effective on a basis broader than regionalism. The central principle of the Charter is that any armed attack is of universal concern

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and calls for collective measures of resistance. The Soviet Union, by its veto power, has made it impractical, as yet, to make available to the Security Council the "armed forces, assistance, and facilities" contemplated by Article 43 of the Charter. When aggression occurred in Korea, however, the principle of collective action was invoked by the United Nations and acted on by more than a majority of the members, including 16 which sent armed forces to Korea to repel the aggression. The "Uniting for Peace" Resolution, adopted by the General Assembly in November 1950, grew out of that experience. That resolution will enable members of the United Nations to join in carrying out similar collective measures against any future aggression without being blocked by a Soviet veto.

The free world system of bases is an integral part of its collective security. At the recent Four-Power Conference in Berlin, Mr. Molotov repeatedly attacked these bases as evidence of aggressive purpose. Actually these bases on the territory of other sovereign countries are merely a physical expression of the collective security system. They were constructed only at the request of the host nation and their availability depends upon its consent, usually as a legal condition and always as a practical one. The requisite consent to the use of these bases would never be accorded unless it was clear that their use was in response to open aggression, and reasonably related to its scope and nature. This gives assurance of their community function.

Thus the free world has practical means for achieving collective security both through the United Nations and the various regional arrangements already referred to.

IV. THE STRATEGY TO DETER AGGRESSION

The question remains: How should collective defense be organized by the free world for maximum protection at minimum cost? The heart of the problem is how to deter attack. This, we believe, requires that a potential aggressor be left in no doubt that he would be certain to suffer damage outweighing any possible gains from aggression.

This result would not be assured, even by collective measures, if the free world sought to match the potential Communist forces, man for man and tank for tank, at every point where they might attack. The Soviet-Chinese bloc does not lack manpower and spends it as something that is cheap. If an aggressor knew he

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could always prescribe the battle conditions that suited him and engage us in struggles mainly involving manpower, aggression might be encouraged. He would be tempted to attack in places and by means where his manpower superiority was decisive and where at little cost he could impose upon us great burdens. If the free world adopted that strategy, it could bankrupt itself and not achieve security over a sustained period.

The free world must devise a better strategy for its defense, based on its own special assets. Its assets include, especially, air and naval power and atomic weapons which are now available in a wide range, suitable not only for strategic bombing but also for extensive tactical use. The free world must make imaginative use of the deterrent capabilities of these new weapons and mobilities and exploit the full potential of collective security. Properly used, they can produce defensive power able to retaliate at once and effectively against any aggression.

To deter aggression, it is important to have the flexibility and the facilities which make various responses available. In many cases, any open assault by Communist forces could only result in starting a general war. But the free world must have the means for responding effectively on a selective basis when it chooses. It must not put itself in the position where the only response open to it is general war. The essential thing is that a potential aggressor should know in advance that he can and will be made to suffer for his aggression more than he can possibly gain by it. This calls for a system in which local defensive strength is reinforced by more mobile deterrent power. The method of doing so will vary according to the character of the various areas.

Some areas are so vital that a special guard should and can be put around them. Western Europe is such an area. Its industrial plant represents so nearly the balance of industrial power in the world that an aggressor might feel that it was a good gamble to seize it—even at the risk of considerable hurt to himself. In this respect, Western Europe is exceptional. Fortunately, the West European countries have both a military tradition and a large military potential, so that through a European Defense Community, and with support by the United States and Britain, they can create an adequate defense of the Continent.

Most areas within the reach of an aggressor offer less value to him than the loss he would suffer from well-conceived retaliatory measures. Even in such areas, however, local defense will always

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be important. In every endangered area there should be a sufficient military establishment to maintain order against subversion and to resist other forms of indirect aggression and minor satellite aggressions. This serves the indispensable need to demonstrate a purpose to resist, and to compel any aggressor to expose his real intent by such serious fighting as will brand him before all the world and promptly bring collective measures into operation. Potential aggressors have little respect for peoples who have no will to fight for their own protection or to make the sacrifices needed to make that fighting significant. Also, they know that such peoples do not attract allies to fight for their cause. For all of these reasons, local defense is important. But in such areas the main reliance must be on the power of the free community to retaliate with great force by mobile means at places of its own choice.

A would-be aggressor will hesitate to commit aggression if he knows in advance that he thereby not only exposes those particular forces which he chooses to use for his aggression, but also deprives his other assets of "sanctuary" status. That does not mean turning every local war into a world war. It does not mean that if there is a Communist attack somewhere in Asia, atom or hydrogen bombs will necessarily be dropped on the great industrial centers of China or Russia. It does mean that the free world must maintain the collective means and be willing to use them in the way which most effectively makes aggression too risky and expensive to be tempting.

It is sometimes said that this system is inadequate because it assures an invaded country only that it will eventually be liberated and the invader punished. That observation misses the point. The point is that a prospective attacker is not likely to invade if he believes the probable hurt will outbalance the probable gain. A system which compels potential aggressors to face up to that fact indispensably supplements a local defensive system.

V. PRACTICAL APPLICATIONS

We can already begin to see applications of these policies.

In Korea the forces fighting aggression had been so closely limited that they were forbidden even to apply the doctrine of "hot pursuit" in relation to enemy planes that were based across the Yalu. The airfields from which attacks were mounted were immune, as were the lines and sources of their supply. The fight-

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ing there was finally stopped last July on terms which had been proposed many months before. That result was achieved, at least in part, because the aggressor, already denied territorial gains, was faced with the possibility that the fighting might, to his own great peril, soon spread beyond the limits and methods which he had selected, to areas and methods that we would select. In other words, the principle of using methods of our choice was ready to be invoked, and it helped to stop the war which the enemy had begun and had pursued on the theory that it would be a limited war, at places and by means of its choosing.

The 16 members of the United Nations who fought in Korea have invoked the same principle. They have given public notice that if the Communists were to violate the armistice and renew the aggression, the response of the United Nations Command would not necessarily be confined to Korea. Today, if aggression were resumed, the United Nations Command would certainly feel free to inflict heavy damage upon the aggressor beyond the immediate area which he chose for his aggression. That need not mean indulging in atomic warfare throughout Asia. It should not be stated in advance precisely what would be the scope of military action if new aggression occurred. That is a matter as to which the aggressor had best remain ignorant. But he can know and does know, in the light of present policies, that the choice in this respect is ours and not his.

In relation to Indo-China, the United States has publicly stated that if there were open Red Chinese Army aggression there, that would have "grave consequences which might not be confined to Indo-China."

On December 26, 1953, President Eisenhower made an important statement which clearly reflected our present policy as applied to Asia. He announced a progressive reduction of United States ground forces in Korea. However, he went on to point out that United States military forces in the Far East will now feature "highly mobile naval, air and amphibious units;" and he added that in this way, despite some withdrawal of land forces, the United States will have a capacity to oppose aggression "with even greater effect than heretofore." In the same month the United States reaffirmed its intent to maintain in Okinawa the rights made available to us by the Japanese Peace Treaty. This location is needed to ensure striking power to implement the collective security concept.

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In Europe, our intentions are primarily expressed by the North Atlantic Treaty. Following the aggression in Korea of June 1950, the Treaty members proceeded to an emergency buildup of military strength in Western Europe. The strength built between 1950 and 1953 has served well the cause of peace. But by 1953, it did not seem necessary to go on at the original pace.

At the April 1953 meeting of the NATO Council, the United States put forward a new concept, now known as that of the "long haul." It meant a steady development of defensive strength at a rate which would preserve and not exhaust the economic strength of our allies and ourselves. This would be reinforced by the availability of new weapons of vastly increased destructive power and by the striking power of an air force based on internationally agreed positions. President Eisenhower is now seeking an amendment of the present law to permit a freer exchange of atomic information with our NATO allies.

When we went back to the NATO Council meeting of last December, we found that there was general acceptance of the "long haul" concept. The result is that most of our NATO allies are now able to achieve budgetary and economic stability, without large dependence on our economic aid.

The growing free-world defensive system, supported by community facilities and coupled with adequate policies for their use, reflects the nearest approach that the world has yet made to a means to achieve effective defense, at minimum cost.

VI. THE CURRENT MILITARY PROGRAM

One of the basic tasks of the new Administration has been to review our military program in the light of the foregoing policies.

In the years 1945–53, our military programs went through wide fluctuations which hindered orderly and efficient administration. During the first part of this period, the policy was to reduce the military establishment drastically. During the latter part of the period, the policy was to increase the military establishment rapidly. During both the decrease and the increase the military budget reflected the so-called "balance of forces" concept. In practical terms, this meant splitting the available funds into three roughly equal slices for the Army, Navy and Air Force.

When the Eisenhower Administration took office, our national security programs, at home and abroad, were costing over 50 billion dollars a year, and were planned at about 55 billion dollars

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for the next year. Budgetary deficits were of the order of 10 billion dollars, despite taxes comparable to wartime taxes. Inflation was depreciating the purchasing power of the dollar. Our allies were similarly burdened.

The American people have repeatedly shown that they are prepared to make whatever sacrifices are really necessary to insure our national safety. They would no doubt support military expenses at the levels which their government told them were required for security, even at the cost of budget deficits, resultant inflationary pressures and tax-levels which would impair incentives. But the patriotic will to sacrifice is not something to be drawn upon needlessly. Government has the high duty to seek resourcefully and inventively the ways which will provide security without sacrificing economic and social welfare. The security policies we here describe make possible more selective and more efficient programs in terms of the composition of forces and of procurement.

The new Administration has sought to readjust, in an orderly way, the program for the military forces. Before this could be done, it was necessary to clarify the extent of our reliance on collective security; to define more clearly our basic strategy both in Europe and the Far East; to reassert our freedom of action in repelling future aggression; to assess the impact of newer types of weapons; and to relate the composition and size of our ready and potential forces to all these factors.

Inevitably this has taken time. It has required a series of difficult basic decisions by the President with the advice of the National Security Council and with supporting decisions by the Department of State, the Department of Defense and the Treasury Department. It has been necessary to exchange views with Congressional leaders and our principal allies and to inform world opinion so that neither our friends nor our enemies abroad would misinterpret what we were doing. By now, however, the new course is charted and is guiding our military planning. As a result, it is now possible to get, and share, more basic security at less cost. That is reflected in the budget which the President has submitted for the 1955 fiscal year. In this budget, national security expenditures for fiscal year 1955 will amount to 45 billion dollars as compared with 50 billion dollars for 1953 and 49 billion dollars for 1954.

Initially this reshaping of the military program was miscon-

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strued in various respects. Some suggested that the United States intended to rely wholly on large-scale strategic bombing as the sole means to deter and counter aggression. What has already been said should dispose of this erroneous idea. The potential of massive attack will always be kept in a state of instant readiness, but our program will retain a wide variety in the means and scope for responding to aggression. Others interpreted the program as a move away from collective security. The exact opposite is the case, as has been shown. Our policies are based squarely on a collective security system and depend for their success on its continuing vitality. Still others feared that we intended to withdraw our forces from abroad in the interest of mobility. Now that the fighting is ended in Korea, our forces in the Far East will be reduced in numbers, as has previously been announced, but the kind of force that remains will have great striking power. Moreover, the program does not mean that we intend to pull our forces out of Europe. It is, of course, essential that the continental nations themselves provide a harmonious nucleus of integrated defense. If they do so, the United States would expect to maintain substantial forces of its own in Europe, both in support of the forward strategy of defense and for political reasons.

Another consequence of our new policies is that it has become practicable to reduce our economic aid to our allies. The Technical Assistance Program will go on and economic aid is not wholly excluded. There are still some places near the Soviet orbit where the national governments cannot maintain adequate armed forces without help from us. That is notably so in the Middle and Far East. We have contributed largely, ungrudgingly, and I hope constructively, to end aggression and advance freedom in Indo-China. The stakes there are so high that it would be culpable not to contribute to the forces struggling to resist Communist oppression.

But broadly speaking, economic aid in the form of grants is on its way out as a major element of our foreign policy. This is highly desirable from many standpoints. It helps to make our own budget more manageable and it promotes more self-respecting international relationships. That is what our allies want. Trade, broader markets and a flow of investment are far more healthy than intergovernmental grants-in-aid. It is, of course, important that we do actually develop these mutually advantageous substitutes for "aid." To do so is one of the major objec-

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tives of the Eisenhower Administration. It is an essential component of the over-all policies already described.

In the ways outlined, the United States and its allies gather strength for the long-term defense of freedom.

VII. OUR NATIONAL PURPOSE

We do not, of course, claim to have found some magic formula that ensures against all forms of Communist successes. Despotism is entrenched as never before. It remains aggressive, particularly in Asia. In Europe, its purposes remain expansive, as shown by Mr. Molotov's plans at the Berlin Conference for Germany, Austria and all Europe. However, time and fundamentals will work for us, if only we will let them.

The dictators face an impossible task when they set themselves to suppress, over a vast area and for a long time, the opportunities which flow from freedom. We can be sure that there is going on, even within the Soviet empire, a silent test of strength between the powerful rulers and the multitudes of human beings. Each individual seems by himself to be helpless in this struggle. But their aspirations in the aggregate make up a mighty force. There are some signs that the Soviet rulers are, in terms of domestic policy, bending to some of the human desires of their people. There are promises of more food, more household goods, more economic freedom. This does not prove that the dictators have themselves been converted. It is rather that they may be dimly perceiving that there are limits to their power indefinitely to suppress the human spirit.

That is a truth which should not be lost sight of as we determine our own policies. Our national purpose is not merely to survive in a world fraught with appalling danger. We want to end this era of danger. We shall not achieve that result merely by developing a vast military establishment. That serves indispensably to defend us and to deter attack. But the sword of Damocles remains suspended. The way to end the peril peacefully is to demonstrate that freedom produces not merely guns, but the spiritual, intellectual and material richness that all men want.

Such are the guiding principles we invoke. We have confidence that if our nation perseveres in applying them, freedom will again win the upper hand in its age-long struggle with despotism, and that the danger of war will steadily recede.

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FRANCE AND THE DEFENSE OF EUROPE

A French Socialist View

By Guy Mollet

THE attitude of the French Socialists toward world affairs has a dual base.

In the first place, we believe that world peace is more than ever the final goal—world peace brought about through simultaneous and supervised universal disarmament as the first step toward the peaceful coöperation of all nations. Consequently, anyone who calls himself a Socialist must support any international democratic organization which reduces national antagonisms and must favor negotiations to that end whenever possible and whatever may be their chances of success. In other words, the free world should grasp every opportunity to settle pending conflicts by negotiation, and exploit it to the utmost. This is why the French Socialist Party has always spoken in favor of conferences, whether on a particular aspect of the East-West conflict—German and Austrian peace treaties, German reunification, Korea or Indo-China—or on universal problems such as world disarmament. It has been our rule to encourage any and every negotiation, to leave nothing untried that might bring that negotiation to a successful conclusion, and thus to prepare the way not only for coexistence but for coöperation.

On the other hand, our rational and constructive pacifism is matched by our determination to guard peace against the menace of an aggressive force anywhere in the world. Experience has shown, particularly between the two wars, that collective security is dependent on the existence of a force assuring respect for international order, and that this means transferring to the plane of international relations the principles which guarantee the security of the individual in a society of free men. For if even one nation refuses to play the game, using propaganda tricks and pretenses of good will to cover up expansionist aims, then the old rivalries between nations and blocs of nations will again prevail. If peace is to be defended, then, it is necessary not only that the camp of peace-loving states shall be sufficiently armed to resist, if it must, an act of violence; in addition, its power must be great enough to deter a potential enemy from resorting to

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methods of force—either armed aggression or the annexation or satellization of neighboring countries through terror or internal subversion.

Defensive rearmament, as the Socialists see it, should be only a way to prevent war—the very opposite of preparing it. We also are among those who do not see any contradiction between wanting to negotiate and being determined not to let ourselves be intimidated. Quite the contrary, we believe that the success of negotiations often depends on the degree to which a certain balance of power is established. This conforms with what Engels, the disciple, collaborator and friend of Karl Marx, thought should be the attitude toward national Powers like Tsarist Russia—"that formidable animal which consents to enter into discussions only with animals its own size." The history of these last years tends to show that Peter the Great's modern successors, Stalin and his heirs, behave in foreign policy as though they were preserving and continuing an age-old tradition the aim of which was universal hegemony.

This was the reality which the free nations had to face once the illusions of the morning after the last world war had faded. The aggression in Korea marked the climax of the all-too-justified fears felt by people of good will as they saw Stalinist expansionism building a European-Asiatic community in the East. The armed reply by the United Nations to that aggression raised immediately the question of the defense of the whole free world and in particular of Europe. This emphasized the need to strengthen the defenses of Western Europe under the Atlantic Pact. This in turn made a practical issue of the idea of having a democratic Germany participate in the common effort.

Here it is necessary to open a parenthesis. Our American friends would commit a grave error not to recognize the extent of the ill-feeling and suspicion which has grown up during the last three-quarters of a century among the neighbors (and victims) of German militarism and imperialism. A large part of French opinion is still emotionally apprehensive—and not unjustifiably—at the prospect of a revived German national army. In the minds of our people, a German army signifies invasion, ruin and death. Naturally, French opponents of a European Defense Community—ex-Stalinists in particular—make the most of this rather understandable sensitiveness.

Not even when the Socialist Party was operating in the under-

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ground, and certainly not at the time of the Liberation, did it feel in the least motivated by resentment or even sentimentality. We were the first and the only French party to oppose Germany's dismemberment, and today we sincerely hope to see that nation recover its territorial integrity. But when we are asked whether it is in the interests of the young German democracy and of peace in general to restore Germany to complete sovereignty, and on top of that to give her autonomous government a national army, we answer unhesitatingly "no." If a new Reich became the absolute master of its own destiny we think it would be fated, under almost any hypothesis, to play a most dangerous rôle. To accept the proposition made in the Soviet note of March 11, 1952, would be to sacrifice German unification for merely temporary neutralization; the new state would be left a prey to bribery, pressure and intimidation from the East. Similarly, to make Western Germany a sovereign nation and admit her to the Atlantic organizations involves a number of risks, beginning with the revival of German militarism, a resurgence of nationalism in favor of reconquering the lost territories in the East, and the rapid decline of the still feeble democratic régime. All these hypotheses, however contradictory, imply the resurrection of the Germany of yesterday in the Europe and in the world of today. We would be incredibly negligent if we accepted that result; what is more, it would mean the end of the effort to construct the sort of Europe we believe in.

II

The French Socialists favor integrating Germany with the defensive system of the West—but on one condition: integration must be effected within the European rather than within the Atlantic framework. The latter solution would have the grave drawback of putting Germany in charge of her own destiny and allowing her an autonomous national army.

But what "Europe" is it possible to talk about today? For the time being, unfortunately, Europe in the sense of a European community formed by the fifteen countries composing the Council of Europe remains only a hope, though it still is the ideal solution. Since Britain and the Scandinavian states have refused to make the necessary surrender of national sovereignty, we are forced to the conclusion that German integration will be effected in the narrower framework of "specialized authorities." Last year

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we ratified the agreement to pool coal and steel (though not without putting up a successful fight for as close a liaison as possible among the six participants—France, Germany, Italy, Holland, Belgium, Luxembourg—and the other countries belonging to the Council of Europe).

Such a liaison is extremely desirable for an economic organization; in our opinion it is absolutely indispensable when it comes to matters of defense. The actual and effective presence of Great Britain is the principal way to reduce the risks which Germany's participation as an equal partner might create for the future European Defense Community. I refer to the risk of hegemony, the risk of an internal disequilibrium resulting from the rapid revival of German military strength, the risk of secession, the risk of a split in the alliances, and others.

Though the French Socialists hope to be able to ratify the treaty, their final decision will depend on the extent of the assurances that can be given on this capital point of British participation. It should be much more than a merely symbolical liaison; it should be a true "partnership," to use the expression of Mr. Nutting, Under-Secretary of State for Foreign Affairs. I shall not go into the technical details. But at the very least the partnership should make certain that English troops will be continuously stationed on the Continent in close contact at all levels with the E.D.C. command and administration. Recent assurances from the British Government that Great Britain is prepared to maintain closer relations with E.D.C. than she has ever had with any nation in the past seem very encouraging; but they obviously must be stated in concrete and precise terms.

A second condition which our Party makes is that American guarantees be obtained. Once the United States has concluded bilateral agreements with E.D.C., thus pledging its power and watchfulness, many aspects of the "German danger" will evidently disappear. In my opinion, the guarantees should rest on two essentials: one, the maintenance of American troops on the Continent; two, treaty arrangements insuring that the United States will oppose the withdrawal of any member nation from E.D.C. or the endeavor by any member to regain its military autonomy in violation of the treaty.

Finally, the organization of an armed force is inconceivable without settling the problem of the political authority which would decide to utilize it, if that became necessary, and which

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also would deal with all the great problems raised by the very fact of its existence. Here the position of the French Socialists accords with their general concept of building Europe on the principle of specialized authorities. We wish the future political authority first of all to possess genuine supranational power, under true democratic control, expressed through a parliament elected by universal vote. We also wish its competence to be limited to its object, *i.e.* to the European Defense Community (the European Coal and Steel Community might be added under certain conditions). We shall have to make sure that the final text takes account of our apprehensions before we commit ourselves to supporting ratification of the E.D.C. treaty.

Possibly our demands for a "European Political Authority" possessing real power but with its competence limited essentially to the domain of defense may seem inopportune. Some of our allies may consider that it creates new difficulties for the launching of the European Defense Community. To my mind this view rests on a complete misunderstanding: the French Socialists do not intend to wait until United Europe has received definitive federal institutions before ratifying the E.D.C. treaty. On the contrary, we categorically oppose certain Europeans who support the immediate creation of a small federation limited to six participants. We want a Defense Community subordinate to a real supranational power, by means of a political authority established for this purpose, and we want this political authority to have real democratic control. The creation of such an organ is possible in the immediate future. There is no need of waiting to solve the complex of difficult problems posed by the program for unifying all of Europe—that is, all of free Europe—within the framework of the Council of Strasbourg.

Sometimes American friends ask us how we think this free, democratic and pacific Europe would behave—a Europe, incidentally, which Russia would not simply fear but which she logically could consider a pledge for her own security.

It is natural enough, perhaps, that Americans should not make a clear distinction between what has come to be called "neutralism" and the French Socialist idea of a "Third Force." But there is a difference, and as it is important I shall try to explain it.

First, what is understood by "neutralism" in Western Europe? Actually, the very opposite of anything like an organized political force. Indeed, the first fact to be noted is that the French "neu-

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tralists" do not constitute a party, and when certain personalities have used neutralist arguments in electoral campaigns (notably in Paris in the legislative elections of June 1951) they have suffered disastrous defeat. Neutralism actually has negligible support in France.

The conceptions—and intentions—which are gathered together under the general term of "neutralism" are most diverse. The label covers at least three different trains of thought, each in principle independent. One consists of a more or less hypocritical adoption of the Soviet thesis. The crypto-Stalinists find it a handy position to take while playing Moscow's game and at the same time keeping up the appearance of independence. Under the pretext of broad-mindedness they show unlimited indulgence for everything coming from the East and extreme severity for everything done in the West. They discredit Atlantic policy by every possible means and oppose the attempt to construct "Europe"—these being, as we know, the Kremlin's pet hates; and they insidiously favor anti-Americanism, which, of course, always plays a prominent rôle in the official propaganda of the Communist Party. Those who thus play Moscow's game are, in other words, merely pseudo-neutralists.

Another category of "neutralists" consists of various elements of leftist intellectuals, or pseudo-intellectuals, who hold views rather similar to those of the crypto-Stalinists but who deny vigorously and with a ring of sincerity that they have any Communist sympathies whatsoever. Sometimes they even attack the Communists in the name of the democratic ideal. Some of these persons who oppose rearmament even for defensive purposes may act in good faith. But though their concept of passive pacifism is generous it is absolutely unrealistic, and as experience has tragically shown it simply leaves free nations powerless before a possible aggressor. Furthermore, they are wrong in supposing that one can hold the same positions as the Communists do without actually, whether one wants it or not, playing the Communist game. In good neutralist logic, to be against German integration with a European community, for instance, means to be for the "neutralization" of Germany. The real neutralists regard this as a sound solution of the German problem and thus as an end in itself. The Russians certainly have only one way of looking at it: a temporarily neutral Germany would in due course become either an easy prey for them or it would become their ally,

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fated soon to be a satellite. Nothing prevents the two theses from merging, to the satisfaction of the Kremlin.

Finally, without ever expressing itself very clearly, a certain section of big business has for some years engaged in a press campaign aimed surreptitiously at creating a favorable climate for a revival of commercial relations with the Eastern bloc. Evidently some business groups are at work under the orders of interested persons. Far from trying to counteract this tendency, the French Government not long ago decided to make all exports to the Soviet bloc tax exempt. However, this particular form of "neutralism" is not of real political significance. The industrialists in question simply put profit before all other considerations. On the other hand, when the Communist Party states that it is willing to conclude an alliance even with the "bourgeois" and "capitalist" elements hostile to the European Defense Community, this simply proves once again that it is prepared, over the heads of the workers, to make any arrangement which might strengthen the international position of Soviet Russia.

The Socialist concept of an "International Third Force" very clearly originates in ideas totally different from these. We oppose "neutralism" in all its forms. I would like to make one main point particularly clear: no Socialist has ever been or will ever become the accomplice either of those who hate America or of Bolsheviks, conscious or unconscious. We know how much democracy—in our eyes the supreme blessing—owes to the courageous American interventions in the two world wars. Nor do we forget that we owe a large part of the material recovery of Europe to the spirit of solidarity shown by the American Government and the American people.

As I said above, we were the first to support actively the plan to construct a free and independent Europe. But we have never confused the idea of independence with that of neutrality. The Europe we desire is one that will be a trustworthy ally, keeping its promises and observing a solidarity of interests strengthened by traditional friendship and proper gratitude.

It seems to us obvious that the utmost degree of coöperation between a united Europe and our non-European allies is desirable, and we consider that it is practicable, given respect by each side for the independence of the other. On the economic plane, emphasis should be put on the immense possibilities which a European market would offer once it became an organized and

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coherent whole. From the moment this occurred, it would be an intermediary between the great industrial Anglo-Saxon Powers and the under-developed overseas nations with which France in particular is associated. As such, it would help to bring the interests of both into economic balance.

In the field of defense, the plan to create an "international Third Force" in no way conflicts with the essential presence of American and English troops on the Continent, at the side of "European" troops, so long as peace has not been finally established through general disarmament. This necessity seems so clear, so indispensable to the military equilibrium of Europe, that we have made it one of our conditions to the ratification of E.D.C.

"Independence" as we use the term means simply—but genuinely—that within the framework of close coöperation which we wish to maintain and develop between the American and "European" democracies, each partner has his own international rôle to play, based on a common ideal. It also means that the free nations of Europe should not be led into playing the rôle of satellites of any Power; that they should be free to conduct their domestic affairs according to their own designs; and that in the foreign field they should use their influence in whatever way they consider most conducive to the preservation and organization of peace. We have never concealed our disagreement with certain tendencies in American opinion—which we feel sure are only a minority. Every tendency that aims not at preventing a war but at "rolling back" the Communist forces in Europe or Asia seems to us in the highest degree dangerous to world peace. Further, we have criticized certain steps by the United States Government like the agreement with the Franco régime in Spain as dangerous to the solidarity of the democratic nations.

So far as the terms of negotiation with the Soviet Union are concerned, it must be admitted that these are, in very large part, a matter for the diplomats. In the diplomatic game, as in a game of bridge, each trick is different, and skill is needed in order to know where concession is unavoidable and where it is impossible. Thus it seems fundamental that when the German problem is discussed, the "Westerners" should show particular firmness on the principle of "free elections" as an essential condition to the formation of an all-German government. As I said above, French Socialists are completely opposed to the so-called "roll-back"

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policy, which would risk leading sooner or later to a "war of liberation;" that might result in a universal disaster, and in any case would certainly lead to the devastation of the countries to be liberated. If the Socialists were in charge of French foreign policy, they would make it an essential principle to limit the sphere of Bolshevik influence to Soviet Russia's actual borders. It follows therefore that the minimum condition for all negotiation on the German problem would be a guarantee of the German frontiers, understood in the sense of a definitive halt to Russo-Polish expansion toward the West.

Finally, as to the question whether we would be prepared to negotiate on China's entry into the U.N.—or, at a minimum, on her participation in a Conference of Five—I would reply by asking our American friends to consider: 1, that there is no case on record where force of circumstances has not in the long run transformed a *de facto* state into one having *de jure* existence; 2, that if a conference were held on Asian problems, and if the Peking Government were excluded, there would be a risk from the start that the Soviet Union would be left to decide on the concessions to be made and would monopolize the benefits. Of course, the admission of the Peking Government to the United Nations would represent an important concession on the part of the Western nations, and in my mind it should not be granted without compensation, such as indubitable proof of good intentions in the settlement of the Korean conflict and—I would add—the Indo-Chinese conflict.

Divergencies over such matters of policy as these do not bring into dispute the principle of our alliance with the United States, much less that of our friendship. They do, however, argue for the existence of a force in Europe capable of negotiating on terms of equality with friendly Powers in the same way that it would be capable of protecting its own security against hostile Powers. The only Europe which corresponds to this definition is a united Europe, open to all free nations. We fight for that Europe in the conviction that we are serving the cause of peace; and peace is an indispensable part of the democratic and Socialist cause.

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RISE AND FALL OF THE ANGLO-FRENCH ENTENTE

By André Géraud
(*"Pertinax"*)

FIFTY years have passed since April 8, 1904, when France and Britain concluded the agreement on Egypt and Morocco which was the cradle of coöperation between the two countries in international affairs. There had been an "Entente Cordiale" briefly in the early years of Louis-Philippe and again during the Crimean War, in the reign of Napoleon III; but under the Third Republic the British and the French had never ceased quarreling in their African territories, and at last English, Egyptian, French and Ethiopian soldiers had come face to face at Fashoda on the Nile. For four months in 1898 there was fear of war. Théophile Delcassé, Foreign Minister, Paul Cambon, then Ambassador in Constantinople, and Camille Barrère, Ambassador in Rome, felt certain that a war against the greatest naval Power would be folly for a colonial power like France. Faithful to the tradition of friendship toward England that was so strong in liberal circles, they insisted upon the evacuation of Fashoda and the negotiation of an African agreement.

The following year it seemed as though this agreement might lead to a more general alliance, and with this end in mind talks were initiated by Paul Cambon, an incomparable diplomat and statesman. But these negotiations finally came up against the opposition of Maurice Rouvier, then President of the Council. He was the friend of Gambetta, a veteran minister, a specialist in finance, a virtuoso in parliamentary intrigue; he feared the threats of Kaiser Wilhelm and Prince von Bülow, and was inclined by nature to believe that understanding and collaboration with Germany could be obtained by harmonizing economic interests. His comment to Paul Cambon was: "For heaven's sake, rid us of this projected alliance with England!" Delcassé resigned June 6, 1905. The Entente Cordiale therefore remained in the experimental stage. So did the Anglo-Russian Entente, considered by Delcassé and his friends the crowning achievement of their diplomatic efforts, given expression in the treaty of August 31, 1907, dealing with Persia, Afghanistan and Tibet.

Thus the Triple Entente—France, England and Russia—de-

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veloped face to face with the Triple Alliance—Germany, Austria-Hungary and Italy. But whereas the Triple Alliance was based on precise, rigid treaties, renewable every five or six years, the Triple Entente simply operated through daily consultations.

Today as we look back over the last half century the results of the inability of the French and the English to break away from their irresolute attitudes are deplorably plain. England lingered among her nineteenth century diplomatic concepts, the "balance of power" and the rest, seeking to appease the Germany of Wilhelm II and Pan-Germanism beyond all reasonable limits. Convinced that England would never oppose him, Wilhelm plunged valiantly into the shortcut of war. I say "the shortcut of war" because his dream of domination would have been fulfilled had he confined himself to developing by normal means the positions which Germany had already acquired. In spite of everything, Paul Cambon was sure peace could have been preserved if on July 24, 1914, the day after the Austrian ultimatum to Serbia, the British Cabinet had spoken firmly and precisely. The British wavered until August 4, that is, until Germany violated Belgian neutrality. England was bound to France only at the general staff level, through an agreement for military coöperation that left indefinite the circumstances under which it would come into force. The old slogan, "Beware of preconceived ideas, especially in international politics," was still considered wisdom's last word in London in 1914.

The story was the same from 1920 to 1936. The Treaty of Versailles was accompanied by an Anglo-American treaty of assistance to France, but the United States Senate rejected both treaties and the British Government then reclaimed its freedom of action. French diplomacy concentrated stubbornly on a search for substitute formulas, and after two or three unfortunate efforts, Aristide Briand succeeded in negotiating the Treaty of Locarno which made England and Italy the arbiters (more or less imaginary) of what went on between France and Germany. The Locarno concept crumbled in March 1936 when Germany established her armies on the left bank of the Rhine, which had been demilitarized by the Treaty of Versailles, along with a 50-kilometer strip on the right bank. Again it was an era of empiricism among the defenders of peace.

The Franco-British alliance was formally reconstituted at the end of 1936 and a series of treaties to implement it followed. The

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grandiose but logical sequel was the act of unification offered by Mr. Winston Churchill to the Reynaud Ministry on June 16, 1940. France was being engulfed in military disaster. In the intervening period, England had her equivalent of Maurice Rouvier in Neville Chamberlain, with the added qualities of disinterestedness and naïveté. If France and England, under different leadership, had been able to act together in March 1936, the German troops would unquestionably have retired from the Rhineland. The Hitler régime might have received its death blow, and peace would have been saved.

II

Fourteen years have passed since the tragedy of 1940. For almost five years France suffered in the vise of German occupation and under her French exploiters, the men of Vichy. England, rallying around the unconquerable Churchill, hovered on the brink of disaster. It is questionable whether if Hitler had persisted in his air attack in October 1940 she would not have succumbed. In the event, the United States entry into the war saved and freed the European West.

Have the British and French Governments finally understood the lesson of events? Have the two peoples understood it? Do they know that their destinies are linked, that improvised diplomatic and military defenses are costly, and that the value of peace treaties depends entirely on the strength behind them?

It seemed that this time the voice of adversity had been heard. A treaty of alliance between England and France "with the object of preventing Germany from becoming again a menace to peace" (in the words of the preamble) was signed at Dunkirk on March 4, 1947. But the text of the Treaty foreshadowed the formation of a larger alliance, and it took shape on March 17, 1948, with the conclusion of the Brussels Agreement among Great Britain, France, Belgium, Luxembourg and Holland. Germany was again referred to in the preamble; but the treaty was not confined to a limited objective. It provided for the creation of a continually-functioning Consultative Council with competence in political, military, economic and social matters. The term "Western Union" was properly used. The Dunkirk and Brussels Agreements obviously required treaties of implementation, for without them they were only paper.

In the summer of 1948, however, it became clear that the

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treaties of Dunkirk and Brussels, the former especially, were inaccurately aimed. The German nation had crumbled in defeat and the German menace could again arise only after much delay, if arise it must. The preponderance of power on the Continent had now passed to Russia, and from Russia came the immediate danger. The Moscow Government had organized an East European bloc in the pacts which it signed in 1945 with Czechoslovakia, Jugoslavia and Poland. The Soviet system was devised not only against a rebirth of German militarism (a contingency provided for by the Anglo-Soviet and Franco-Soviet pacts of 1942 and 1944) but also aimed at securing control of the former satellites of the Nazi empire, Hungary, Rumania, Bulgaria and others. After Czechoslovakia had been struck down, all these states were forced to sign "pacts of assistance" with the U.S.S.R. The Kremlin had begun to draw the Iron Curtain as early as the summer of 1947, when it refused to be included in the system of economic coöperation arising from the famous speech of Secretary of State Marshall, or to permit its satellites to join.

The imprudent American demobilization of 1945–46 had created an enormous disparity between the military ground forces of the Western nations and the Eastern bloc. The problem therefore was not merely to reorient Western defenses to meet the Russian menace but to act very quickly to give substance to a machine that existed only on paper, being aimed at a hypothetical German danger of the-day-after-tomorrow. By bringing into play its incomparable resources the United States succeeded in filling the existing military vacuum, thus repeating in the cold war what it had done in the times of hot war in 1917 and 1941. Reënforced with the new atomic weapons, it held in check the most heavily armed country while the balance of forces was being repaired. On April 4, 1949, the Atlantic Pact was signed. "The countries of Eastern Europe are united in a network of 23 bilateral pacts of mutual assistance," announced Robert Schuman, Minister for Foreign Affairs, in a radio speech on March 28. "The Atlantic Alliance will counterbalance the Soviet Power." That was the realistic reply of Washington, London and Paris, supported by nine other governments, to the series of brutal measures which had brought the Soviet Empire to the Oder-Neisse line.

The unforeseen result, fraught with serious consequences for France, was the ending of the Entente Cordiale—by which term

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I mean intimate and discreet collaboration between the Governments of London and Paris. The Kremlin had tied itself by bilateral treaties to the states it dominated. The United States Government was averse to bilateral agreements unless they were complementary to a multilateral system. It was enamored of "universalism." In 1920, Wilsonian ideology had sounded the death knell of the Anglo-French alliance in an era when this alliance was still appropriate to events; and when the Entente Cordiale, though needed, was no longer equal to the job, America rejected it with even more conviction.

But the surprise, the tragedy, was that France, cut off from the alliance with England, was rushed headlong into a new style of bilateralism with Germany. If the current enterprise succeeds, the former Entente Cordiale between Paris and London will in the long run have been exchanged for an *entente*, a kind of fusion even, between Paris and Bonn. The Franco-British tie will have relaxed to the point where it no longer exists. How is this extraordinary reversal to be explained?

III

The reversal is explained by the confluence of two movements: the "European Movement," seeking the unification of Europe, and the efforts of the Atlantic Organization to build up a military power equal to that of the Soviets. As early as the autumn of 1949, American military leaders became convinced that a contribution of German armed forces was needed if Soviet Russia and her satellites were to be counterbalanced. German military strength, which the four occupying Powers agreed to extirpate at Potsdam in August 1945, therefore had to be rebuilt. It was here that the Atlantic Alliance and the European Movement came together. The drama had four acts.

Act One. The French Government, faced with an economic crisis and seeking new methods of meeting its dollar deficit, had perceived, along with other countries, that French industry could reduce costs by selling in a larger market. It concentrated on developing an economic union with Italy, Belgium, Holland and Luxembourg. In the summer of 1947, the United States came forward with the Marshall Plan. In April 1948, the E.C.A. took shape in Washington and the O.E.E.C. in Paris. The goal of these agencies was not ideological. For want of anything better, the pre-1914 or even the pre-1929 economic Europe was to be re-

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created; tariffs were to be maintained but customs quotas were to be abolished and the convertibility of currencies was to be restored. Establishment of the European Payments Union, a sort of clearing house, was the first step. But the economic union of France, Italy and Benelux, frowned on by England, was not achieved. A search for further remedies ensued.

Act Two. The "European Movement," which contained plenty of ideology, took the center of attention, particularly after the Congress at The Hague in May 1948, where for five days there was a burst of oratory from such prominent statesmen as Winston Churchill and Anthony Eden (leaders at that time of the Conservative opposition in Britain), Paul Ramadier, former French Prime Minister, and Paul van Zeeland, soon again to be Prime Minister of Belgium. The British Labor Party, then in power in Britain, and the French Socialists, abstained. Doubtless Mr. Churchill considered that the resounding speeches on European union which he had delivered at Fulton and Zurich in 1946 made it obligatory for him to be present. But it did not pass unnoticed that in one of the committees of the Congress, where the creation of a European cultural center to popularize the European idea was under discussion, the English attitude was one of extreme reserve. A small sign of what was to come.

After the Congress at The Hague, the Consultative Council of the five signatories of the Brussels Pact, acting on the suggestion of M. Georges Bidault, appointed a study committee to be presided over by Edouard Herriot. The statute of the Council of Europe was signed one year later; and the organization—composed of a Consultative Assembly, stemming from the national parliaments, and a Committee of Ministers—held its first session at Strasbourg in August 1949.

But Strasbourg revealed that the "Europe of Fifteen" was not really capable of starting fundamental innovations. The lively spectacle of British delegates quarreling openly in the presence of foreigners was something that had never occurred before. The most surprising development, however, was Winston Churchill's support for the extension of the powers of the Assembly at the expense of the Committee of Ministers: he thought the agenda of the Assembly should not depend upon the Committee's approval. He also prevented a Laborite from becoming vice-president of the Assembly because he was not sufficiently "European."

Act Three. "One never goes so far as when one knows not

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where one goes." This dictum of Machiavelli might serve as epigraph for events in France between December 1949 and May 1950. Into the void of French projects for economic reconstruction was suddenly projected the plan of Jean Monnet for a union of Lorraine iron and Ruhr coke; and supported by Robert Schuman, then French Foreign Minister, the European Coal and Steel Community took shape on May 9, 1950. The idea was that these two basic products were to be bought and sold according to the laws of supply and demand, in a "free market" of some 150,000-000 consumers, under the control of a supranational "High Authority." In this way, by applying mass production techniques, the European economy would in time become comparable to the American economy.

It must be noted that the Catholic Party (Popular Republican Movement, or M.R.P.) which counts Georges Bidault and Robert Schuman among its leaders had risen to power after the Liberation on the ruins of the Radical Party which was held responsible for the military defeat. The M.R.P. considers that it holds ideas in common with the Christian Democrats of Germany, Italy and Belgium, and some of its members feel it is their mission to recreate a Holy Empire, a democratic and Westernized substitute for the Teutonic Holy Roman Empire. In any event, a "little" Europe—a "Europe of Six"—now seemed realizable and preferable to the Strasbourg "Europe of Fifteen." At the time this is written one cannot predict the future of the Coal-Steel Community. But if it does not succeed, its failure will be camouflaged by cartels of manufacturers more or less hidden in the background.

Act Four. The introductory memorandum on the coal-steel project had proposed the "abandonment of sovereignty on limited but essential points." But what now was suddenly proposed went much further. In September 1950, Secretary of State Dean Acheson unexpectedly informed Messrs. Bevin and Schuman that Germany should be rearmed at once. The Korean struggle had just begun and delay was no longer possible. But to gain French acquiescence was a problem. The solution favored by M. René Pleven, Minister of Defense, was to organize a European Defense Community. There would be German soldiers, but no German Army. Indeed, there would be no more national armies, but a European Army in which nations and contingents would be controlled. After months of negotiation, French and German delegates agreed on the treaty of May 27, 1952. This time the re-

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linquishment of sovereignty was in matters which were essential but not limited.

There is reason to fear that the meaning of the treaty is as follows. If Western relations with Soviet Russia deteriorate, the general staffs of the Atlantic nations will wish to utilize the German military potential fully, whatever the letter of the agreement. This may entail the absorption and destruction of the French Army (already handicapped by the high proportion of French troops engaged overseas), since it may be subject to limitations which the Germans may evade. In other words, either the "Europe of Six"—as expressed in E.D.C.—would vanish or it would turn into a federation in which Germany was the federating power. That would be the end of the fourth act.

IV

Paralleling the formation of the "little" Europe described above came the disintegration of the Anglo-French Entente Cordiale in its larger meaning, that is, as spontaneous coöperation beyond anything prescribed in formal texts. The process took place by stages.

In the first place, the old divergence of views between London and Paris with regard to Germany, always present since 1904 except in wartime, was still the rule, as became clear as early as July 1946, less than a year after the Potsdam Agreement, when London accepted the proposal of Secretary of State James Byrnes to set up a German administrative system in the American and British occupation zones for the sake of efficiency and economy. This was the first great deviation from the Potsdam Agreement. France had hoped that the elements of a German central government would be reconstituted only in a stabilized Europe.

On June 2, 1948, London and Washington, after long discussion, involved France in the procedure for forming a West German state. Coming after the monetary reform, carried out independently of the Russians, which broke up Four Power control, the June 2 treaty started a chain of counter-measures in the Eastern zone, provoked or sanctioned the blockade of Berlin and intensified the dispute between the occupying Powers. Europe had already been divided into two hostile blocs; now the division of Germany crystallized the situation. It could be foreseen that the West German Federal Republic would be granted "equality of rights" more rapidly than was prudent, and that the Inter-

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national Ruhr Authority, which the French always considered the sole instrument of effective supervision, would be ephemeral.

In another area it was apparent as early as July 1949 that the Labor Cabinet of Mr. Clement Attlee was disengaging itself from what remained of former Franco-British solidarity. Paris wished to confer with London before the discussions that were to take place in Washington about German affairs and the problems of the European Organization for Economic Coöperation. But though Foreign Minister Schuman met Foreign Minister Bevin three times in July and August the British minister was systematically evasive.

Nationalization had made the British economy a closed system; Britain could not enter any federation or union without jeopardizing it. And neither Laborites nor Conservatives were ready to see their country being lost in the crowd of European clients clustering around the American benefactor. Britain claimed the position of a privileged partner.

On November 1, the Franco-British divorce was sharply revealed in the Consultative Committee and in the Council of the O.E.E.C. "England will participate in attempts at European organization only in so far as her Commonwealth commitments permit," in short, as she pleased. Thus spoke Sir Stafford Cripps. Meanwhile, he was pleased with the thought that he had obtained from Americans assurances that the problem of British reconstruction would not be confused with that of European reconstruction but would be handled separately. The projected economic alliance of France, Benelux and Italy was condemned without appeal. In view of British indifference, Holland, specifically, backed out.

In December 1949, it looked as if there might be a clearing on the rather dark Franco-British horizon. London sent the General Affairs Commission of the Council of Europe a memorandum notable for its precise terms and fresh content. The document doubtless was in answer to the appeal made to the European Union on October 31 by Mr. Paul Hoffman, administrator of the E.C.A. The British memorandum vigorously repudiated the concept of a European federation created on paper at a single stroke and advocated a modest organization that would develop experimentally according to needs and circumstances. The builders of "Europe" were plainly informed that Britain could not be integrated into the European Union, partly for the reasons already

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given by Cripps, but also because, in the European framework, the development of a single market, so insistently recommended to make up the European deficit in the dollar balance, would require so many readjustments that the remedy would be worse than the disease. It concluded by stating that economic integration was neither possible nor desirable. No alternative economic solution was suggested, at least none worthy of the name.

But political integration, the British memorandum continued, was another matter. Although it could not be achieved through the Council of Europe, it could be attempted through the Atlantic Pact. A rather meagre consolation prize was given the Council of Europe. It was to seek agreement among the industrialists of the various countries on the allocation of external markets and to try to establish a high court for Human Rights! Details aside, the approach was realistic and reasonable, and made constructive work possible. Yet Foreign Minister Schuman did not open conversations. Actually, the creation of a real strategic committee of the Western Community, furnished with greater powers than the "Permanent Standing Group" of NATO, should have been of prime importance to France. The opportunity to advance projects which we are still extolling today was let slip. President Auriol, enthusiastically received in London shortly after the accession of Queen Elizabeth, did not conceal that he held ideas very different from those of his Minister for Foreign Affairs.

The peak of Mr. Schuman's diplomacy was the announcement of the European Coal and Steel Community on May 9, 1950, without any previous warning to England. "Personally, I was informed about ten minutes before the journalists," said Sir Oliver Harvey, British Ambassador in Paris. More moving was the refrain of what Mr. Bevin said to the French Ambassador, René Massigli: between us, something has changed.

V

Now we come to the present state of affairs. In theory, the Entente Cordiale—the alliance of Great Britain and France—continues to exist, since the Treaty of Dunkirk has not been revoked and since the Brussels Pact which unites the two countries with Belgium, the Netherlands and Luxembourg is still in effect. The Consultative Council provided for in the treaty of March 17, 1948, meets from time to time, at the request of the Belgians

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and the Dutch, who are anxious to preserve this specifically Western tie and also to know what is going on over their heads.

In reality, the Entente Cordiale functions only in areas off to one side of the great main current of international affairs. With the European Defense Community and the European Political Community, the official thesis in the United States and England has been that of the "tripod," meaning that the Atlantic organization rests on three supports: the United States, the British Commonwealth and the "European Community." This formulation soothes the remnants of American isolationism and harmonizes with the new strategy: in the plans drawn up in Washington (giving a preponderant rôle to air and naval forces and the new weapons) the defense of the European continent, whether of long or short duration, will be left to the French and German infantry, to what in barrack-room slang is called the *piétaille*. The English, susceptible to old ideas, also find satisfaction in the concept of the "tripod." Are they not summoned to play again their old rôle in the Balance of Power? To date, they alone are allowed to discuss the new strategy with the Americans in terms of the new weapons—at least in so far as it applies to naval warfare. The French were not invited to the Anglo-American Conference at Malta in 1951.

France thus finds herself as a member of a Germanic-Latin bloc, separated from her 50-year ally. But how does one judge the extraordinary conduct of Sir Winston Churchill, leader of the Opposition until October 1951, and since then Prime Minister? Everything seems to have taken place almost as if the European experiment had been encouraged in order that the entente with France, which would have hampered his effort for intimate coöperation with America, could be liquidated. On August 11, 1950, it was he who obtained the adoption in the Consultative Assembly of the Council of Europe at Strasbourg of a recommendation "leading to the immediate creation of a unified European army, under the authority of a European Minister of Defense, subject to democratic European control and acting in coöperation with the United States and Canada." To read these lines today makes you rub your eyes. For in November 1953, two weeks before the Bermuda Conference, he sent a note curtly refusing to make the slightest commitment as to the number or the type of British troops to be maintained in Europe, or as to where they were to be stationed or how long they were to stay. At Ber-

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muda he advocated the creation of an independent German army. But at President Eisenhower's request he favored setting up the European Defense Community, British membership in which he emphatically rejects. "But it is you who started the idea!" M. Georges Bidault said to him in Bermuda.

The fact is that the habit of "previous consultation" before important decisions has more or less vanished. I have described the surprise which Foreign Minister Schuman gave the English on May 9, 1950. But they had set an unhappy precedent on September 16, 1949, when they devalued the pound sterling without giving France a chance to present objections, thereby violating the Anglo-French financial agreements of February 8, 1944, and March 27, 1945. If the ties between the United States and the Federal Republic of Bonn multiply and tighten, as appears likely, and if American coöperation with Franco Spain develops, will England act as a brake? It is far from certain. There was no British reaction to an imprudent remark made by Chancellor Adenauer on November 14, 1951, to one of the Allied High Commissioners, linking Germany's eventual integration into the Western community with her hope of regaining her lost lands east of the Oder-Neisse line—something which, when reported in the official correspondence, made a deep impression on the French Ministers.

At the military level the French and British get on fairly well in the Atlantic framework. The *chef de cabinet* of Field Marshal Lord Montgomery is a Frenchman, Colonel Costa de Beauregard. The old controversy (dealing, in any event, with a problem of administrative hierarchy and not with strategy) between Lord Montgomery and Marshal Juin ended in 1949. Field Marshal Lord Alexander, now Minister of Defense, praises "the battle sense, the terrain sense" which is characteristic of the French Marshal, who now commands the central European sector.

At the economic level, rather sharp discussions occasionally occur. There is no commercial treaty between France and England, and French and British exports and imports are supposed to be regulated periodically by a mixed commission. Ordinarily France balanced her excess purchases in the sterling area with her excess sales in the United Kingdom. When Britain cut her luxury trade with France as part of the great restrictions which she imposed in 1951, this action was modified but still led to a deficit and mutual recriminations. And now the English reproach

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France for discriminating against British industry and in favor of German industry, in the export quotas in North Africa. This is nothing to what will happen if the European Coal and Steel Community is definitely set up.

And there is, fortunately, a sector in which the Entente Cordiale has not been dissipated—Africa, where France and Great Britain are still aware of their common interests and join to defend them in the United Nations. Anglo-French conferences on African problems have taken place periodically since 1948–49 sometimes between cabinet officers, sometimes among high administrative officials. The program has covered regular exchanges of information, detection of Communist infiltration of nationalist movements in Moslem countries, and, most important, prevention of unfavorable psychological repercussions in native circles of the rather marked difference between British and French colonial policy. France aims at developing African representation in the French National Assembly and in territorial administrations, whereas Britain puts emphasis on increasing the importance of local assemblies; the Franco-British conferences endeavor to harmonize the two types of reform. There are numerous other joint groups for technical and political consultation. Traditionally, French and British officials in the Levant have always quarreled, and even in its heyday the Entente Cordiale was unable to put an end to their strife. But since the French army evacuated Syria and Lebanon in 1946 all that is irrelevant. The important thing is that through the convergence of French and British interests in Africa there is a chance that Anglo-French friendship may be renewed.

The possibility of a resumption of the Entente Cordiale is tied to the question of ratification of the European Defense Community Treaty, signed in Paris on May 27, 1952. (The projected European Political Community is too vaguely outlined for analysis.) In the French view, the strongest obstacles to the E.D.C. (and the European Political Community) are the legal and political ties between France and the very different kinds of territories that compose her foreign domains—overseas departments and territories, integral members of the Republic (containing some 35,000,000 people); associated territories, Togo and the Cameroons (former mandates, now under international trusteeship); the Moroccan and Tunisian protectorates and the associated states of Indo-China. To redefine the status of these

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varied territories in relation to the European Community treaties and at the same time to try to preserve the ties with France would precipitate a crisis that might dissolve the French Union. And the United Nations would be entitled to interfere, according to Article 73 of the Charter. France is disinclined to risk it.

The fact is, in brief, that the French people have no faith in the practicability of a restricted European Community of only six states. If by chance such a community did emerge, Frenchmen would feel that they had lost their country. Sooner or later the French Government will have to make plain that France does not wish to have any tie with Central Europe that is more intimate than her tie with England.

England and France are the cradle and bastion of civil and political liberty. Their societies have always interlocked. In spite of their memories of centuries of struggle, the two countries have been constantly thrown back on each other by the menace of the ever-renascent Russo-Prussian alliances. The future is always obscure, but one fact seems certain, and that is that events will force England and France to remain side by side. The best thing would be that they no longer needed to improvise measures of common salvation.

The abandonment of a certain degree of national sovereignty is necessary today to rectify the disequilibrium on the Continent and to counterbalance the Communist empire. But this must be done within the framework of the Atlantic Organization and with equality of sacrifice all around. Germany will be more effectively contained within this larger framework than in the little "Europe" of which the other members would be France, Italy, Belgium, Holland and Luxembourg. The "free world" will be stronger.

A "Europe" composed of those six countries cannot, simply because it forces the unification of France and Germany, produce a guarantee of peace which the Atlantic Organization itself is unable to provide. What is the actual picture in the minds of those who are so naïve as to speak of the "unification" of the historical entity that is "France" and the historical entity that is "Germany?" They might as well suggest that the best way to prevent Franco-German strife would be to leave France without any means of defense. In the European Community as now projected the position of France in relation to Federal Germany would be like that of Austria in relation to Prussia on the eve of Sadowa.

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THE PIVOT OF HISTORY

By Charles Kruszewski

FIFTY years ago Halford John Mackinder delivered a lecture on "The Geographical Pivot of History" before the Royal Geographical Society in London. Supported by five diagrams, it was published by the Society in April 1904,[1] together with comments by several students of geography. Probably few who read the lecture in 1904 guessed that Figure 5, bearing the caption "The Natural Seats of Power," would become one of the most famous maps of our time. It embodied one of the most thought-provoking views of the world in the twentieth century and has exercised profound influence on foreign affairs and on history.

On his Mercator-projection Mackinder had boldly shifted the conventional European center and showed the Americas on the edge of each side of Africa, Europe and Asia. In this manner he indicated that he saw the world "as a whole." Enclosing this novel picture with an earth-girdling oval, he made his message dramatic by dividing the natural seats of power into three areas —one, a "pivot" area, wholly continental; a second, an "outer crescent," wholly oceanic; and a third, an "inner crescent," partly continental, partly oceanic. Mackinder had shattered the old, comfortable picture of the relations of the continents as well as complacent notions of the relations of sea power and land power. His own countrymen paid little heed, but German strategists pondered carefully what he had disclosed, and Hitler came close to bringing sea power to destruction by capturing land bases on which it rested. Today, statesmen, generals, seamen and airmen everywhere see the round world through Mackinder's eyes. And they see the Soviet Union in control of what he described as its Heartland.

II

When he delivered his now famous lecture Mackinder was 43 years old. Born at Gainsborough in Lincolnshire on February 15, 1861, he was the oldest son of a country doctor, Draper Mackinder, and Fanny Hewitt of Lichfield. On a wall of the Gainsborough Grammar School was a picture which greatly at-

[1] *Geographical Journal,* London, April 1904, p. 421–44.

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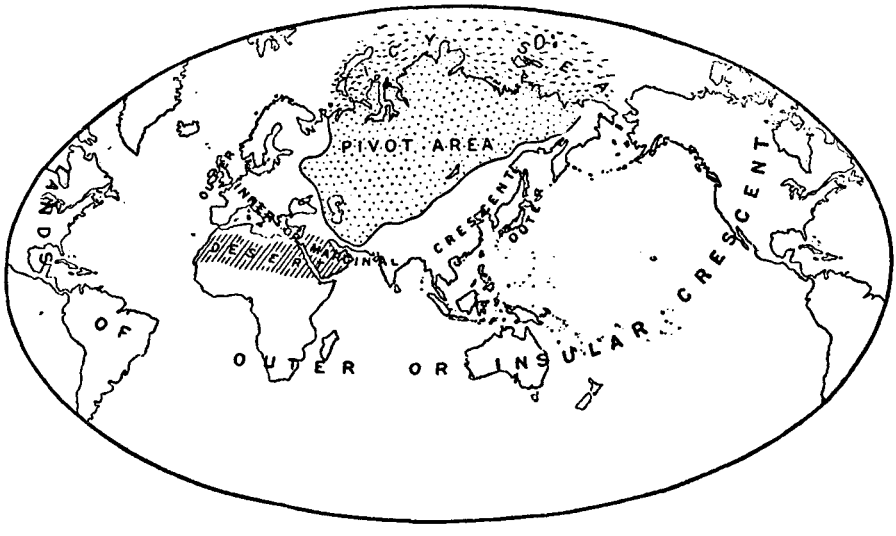
tracted him—a drawing of the naval engagement in March 1862 between the ironclad Union *Monitor* and the armored Confederate *Merrimac*. On the Continent at this time Bismarck was forming the German Empire by waging wars against Denmark, Austria and France; and when, in September 1870, Napoleon III surrendered with his army at Sedan, the boy read the announcement that was tacked on the post-office door at Gainsborough and took home the startling news. It was the first item of public affairs that was to remain in his memory. He was an imaginative lad. His local environment in Lincolnshire and Nottinghamshire aroused his interest in topography and in the physical processes



Mackinder's "Fig. 5," entitled "The Natural Seats of Power," showing what he termed the "pivot area," the "inner or marginal crescent" and the "lands of outer or insular crescent." (Reprinted by permission of The Royal Geographical Society, London.)

of nature. Travel stories, such as Captain Cook's voyages, induced him to prepare a discourse on Australia at the age of 12, much to the delight of his father.

He was sent to Epsom College in 1874, and thence to Oxford, where he matriculated at Christ Church in 1880. His father had hoped he would study medicine, but young Halford decided to study "the surgery of the earth." He received his B.A. in 1883, and in the same year was elected President of the Oxford Union Society. "The Historical Register of the University of Oxford" indicates that Mackinder "read" two Honor Schools, one in natural science (devoting his principal attention to biology) and a second in history; he was also a Burdett-Coutts Scholar in

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natural science with emphasis on geology. He made a brilliant scholastic record, and with it read for the bar. International law was for him the geographical aspect of law. The Inner Temple called him to its bar in 1886, but he chose to follow the academic career.

His friend at Christ Church was Michael Sadler, with whom he served the Oxford University Extension movement for adult education during the next two years, travelling over most of the country and giving more than 600 lectures on the so-called "new geography." A syllabus on "The New Geography" was published in pamphlet form in 1886, and the attendance at his lectures grew rapidly, soon arousing the attention of prominent members of the Royal Geographical Society. One of the Honorary Secretaries, Francis Galton, requested Mackinder to put down in writing what he meant by the phrase he had used for the title, and as a result Mackinder delivered an outstanding address on January 31, 1887, "On the Scope and Methods of Geography," published in the Society's "Proceedings" in 1887. In later years Mackinder liked to recall that he was " a young revolutionary," and that "a worthy Admiral, a member of Council, who sat in the front row, kept on muttering 'damned cheek' throughout the lecture." His revolutionary idea was that the study of geography should be approached "from the human standpoint." Nine out of ten students of the subject, he said, wished "to study the world as man's environment." He proposed to assist them to do so. Galton supported his views and prophesied that "Mackinder was destined to leave his mark on geographical education."[2]

Fortified with the M.A. in 1887, Mackinder began as Reader in Geography at Oxford with lectures "On the Principles of Geography" and on "Geography of Central Europe." He started from scratch; at his first lecture (as he later enjoyed explaining), "There was an attendance of three, one a Don, who told me that he knew the geography of Switzerland because he had just read Baedeker through from cover to cover, and the other two being ladies who brought their knitting, which was not usual at lectures at that time."[3] But his impressive method of teaching soon attracted hundreds of students and they applauded him. Mackinder's aim was to enlarge the rôle of the study of geography. Not all at Oxford shared his point of view; it was alleged that

[2] *Cf.* J. F. Unstead, "H. J. Mackinder and New Geography," *Geographical Journal,* 1949.
[3] *Geographical Journal,* 1921, p. 378.

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the study of maps smacked of strategic and tactical ways of thinking, out of place in an abode of scholars. In the spring of 1892 he visited the United States and called at Harvard, Princeton and Johns Hopkins in order to inquire as to their geographical teachings. At that time he spoke to a large audience of teachers in Philadelphia.

And Oxford, indeed, has a way of finding a place for great talent. Mackinder was awarded a "studentship" (Fellowship) at Christ Church in 1892, for a term of three years, and largely as a result of his successful extension work at Reading the Dean of Christ Church opened a college there. Mackinder was chosen to serve as Principal. An unemployed history teacher, W. M. Childs, knocked at Mackinder's door for a job and became his successor in 1903, when Mackinder left for London. Reading College was later raised to University rank, and Dr. Childs, commemorating his predecessor's 11 years of pioneer work there, has written of him: "He was a talker, convincing and provocative. He had a way of blending dreams and hard sense, subtlety and simplicity, and he never seemed to know when he passed from the one to the other. He made some opponents as a leader in stark earnest is bound to do. He sometimes ploughed ahead leaving a wake of troubled waters, and he certainly gave the rest of us plenty to think and talk about. Masterful, he yet made us partners."[4]

Mackinder shared the aim of all great teachers—not only to lecture himself, but to train teachers. He wanted a school of geography. As President of the geography section of the British Association for the Advancement of Science he argued for it, pointing out the rise of the German schools of geography. The London School of Economics was founded at this time and Mackinder took a teaching post there in addition to those at Oxford and Reading. Financial support by the Royal Geographical Society finally made possible in 1899 the establishment at Oxford of the first School of Geography with Mackinder as its Director. Along with all of this he was mountain-climbing in the Alps and Africa (making the first daring ascent of Mt. Kenya), and in 1900 contested Warwick as a Liberal candidate for Parliament. In this endeavor he was defeated. But at the end of the year 1903, he had been honored with the Silver Medal from the Scottish Geographical Society for promoting the study of geography, and had been

[4] "Making a University: An Account of the University Movement at Reading," by William Macbride Childs. London: Dent, 1933.

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appointed the Director of the new London School of Economics.

His first lengthy book, "Britain and the British Seas," had appeared in 1902. The introductory chapter included a photograph of the globe, in order that Britons might see the true picture of the Atlantic Ocean, and his topics included economic and military strategy. The preface read:

> The idea of this book was first suggested to me by the needs of some foreign students visiting Britain. My aim has been to present a picture of the physical features and conditions of a very definite natural region, and to trace their influence upon the human societies dwelling within it. Britain is so small, and is known in such detail, that it has been possible to attempt a complete geographical synthesis. The phenomena of topographical distribution relating to many classes of fact have been treated, but from a single standpoint and on a uniform method.

An autograph written nearly 20 years later adds a lively footnote:

> The occasion of the writing of this book is correctly stated in the preface. The reason of its writing was that the author was caned as a boy at school for drawing maps instead of writing Latin prose, and that for thirty years afterwards he thought visually and therefore geographically. In the end the impulse to write what he saw mastered him. *Voilà tout.*

III

The two principal features of his famous lecture of 1904 that decades later provoked closer study, and great controversy, were the theory of "closed space" and the conception of the "pivot area."

> From the present time forth, in the post-Columbian age, [he said] we shall again have to deal with a closed political system, and none the less that it will be one of world-wide scope. Every explosion of social forces, instead of being dissipated in a surrounding circuit of unknown space and barbaric chaos, will be sharply reëchoed from the far side of the globe, and weak elements in the political and economic organism of the world will be shattered in consequence. There is a vast difference of effect in the fall of a shell into an earthwork and its fall amid the closed spaces and rigid structures of a great building or a ship. Probably some half-consciousness of this fact is at last diverting much of the attention of statesmen in all parts of the world from territorial expansion to the struggle for relative efficiency.

Mackinder continued:

> It appears to me, therefore, that in the present decade we are for the first time in a position to attempt, with some degree of completeness, a correlation between the larger geographical and the larger historical generalizations. For the first time we can perceive something of the real proportion

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of features and events on the stage of the whole world, and may seek a formula which shall express certain aspects, at any rate, of geographical causation in universal history. If we are fortunate, that formula should have a practical value as setting into perspective some of the competing forces in current international politics. . . . I propose this evening describing those physical features of the world which I believe to have been most coercive of human action, and presenting some of the chief phases of history as organically connected with them, even in the ages when they were unknown to geography. . . . Man and not nature initiates, but nature in large measure controls. My concern is with the general physical control, rather than the causes of universal history. It is obvious that only a first approximation to truth can be hoped for. I shall be humble to my critics.

Mackinder then proceeded to present his historical analysis, in order to explain the concepts inscribed in the legend of his Figure 5. He wished especially to make clear the idea of the constant pressure upon the rest of the world originating from the "pivot area." "It was under the pressure of external barbarism that Europe achieved her civilization," he declared. "I ask you, therefore, for a moment to look upon Europe and European history as subordinate to Asia and Asiatic history, for European civilization is, in a very real sense, the outcome of the secular struggle against Asiatic invasion." He held that, "The most remarkable contrast in the political map of modern Europe is that presented by the vast area of Russia occupying half the Continent and the group of smaller territories tenanted by the Western Powers."

With the aid of four other diagrams, Mackinder analyzed his thesis, maintaining that "all the settled margins of the Old World sooner or later felt the expansive force of mobile power originating in the steppe." In summary, his argument ran somewhat as follows:

A certain persistence of geographical relationship becomes evident as one examines the broader currents of history. Is not the pivot region of the world's politics that vast area of Euro-Asia which is inaccessible to ships, but in antiquity lay open to the horse-riding nomads and is today about to be covered with a network of railways? Here were the conditions of a mobility of military and economic power of a far-reaching character. And now that Russia has replaced the Mongol Empire, these conditions remain. Russian pressure on Finland, on Scandinavia, on Poland, on Turkey, on Persia, on India and on China replaces the raids of the Mongol steppemen. In the world at large Russia

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occupies the central strategical position which in Europe is held by Germany. She can strike on all sides and be struck from all sides, save the north. The full development of her modern railway mobility is merely a matter of time. Nor is it likely that any possible social revolution will alter her essential relations to the great geographical limits of her existence. Wisely recognizing the fundamental limits of her power, her rulers have parted with Alaska; for it is as much a law of policy for Russia to own nothing overseas as for Britain to be supreme on the ocean.

Outside the pivot area, in a great inner crescent, he continued, are Germany, Austria, Turkey, India and China, and in an outer crescent, Britain, South Africa, Australia, the United States, Canada and Japan. A tipping of the balance of power in favor of the pivot state, resulting in its expansion over the marginal lands of Euro-Asia, would permit it to use the vast continental resources for fleet-building, and the empire of the world would then be within its grasp. This might happen if Germany were to ally herself with Russia.

My contention, said Mackinder, emphasizing that he spoke as a geographer, is that particular combinations of power are likely to rotate around the pivot state. This state is always likely to be great; but its mobility is limited, compared with that of the surrounding marginal and insular countries. The actual balance of political power at any given time is, he continued, the product of geographical conditions, both economic and strategic, and also of the relative number, virility, equipment and organization of the competing peoples. In proportion as these quantities are accurately estimated are we likely to adjust differences without the crude resort to arms. And the geographical quantities in the calculation are more measurable and more nearly constant than the human quantities. Hence we should expect to find that our formula applied equally to past history and to present politics.

The discussion which followed the reading of the paper at the meeting of the Society is interesting and brings forward names and ideas which were to become noteworthy. Sir Thomas Holdich remarked on "the absolutely immeasurable cost of geographical ignorance." Twenty years later this was to become a favored quotation of the German geopoliticians. Mr. L. S. Amery, subsequently First Lord of the Admiralty and Secretary of State for India, concluded a long and prophetic speech with the observa-

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tion that the controversy between "the relative merits of railways and ships as a means of mobility would be altered by the use of the air as a means of locomotion," and added that "those people who have the industrial power and the power of invention and of science will be able to defeat all others." (The Wright Brothers had flown their plane at Kitty Hawk in December 1903, while Mackinder had noted in his lecture that Christendom possessed the widest possible mobility of power, short of winged mobility). Mr. D. G. Hogarth joined Mr. Amery in his objection to Mackinder's conception of "Graeco-Slavs," and raised the question as to whether Mackinder believed that a "stationary state of affairs" was being developed in the pivot area. Did the lecturer mean—he asked—that the great region would no longer send its populations down into the marginal countries? Mackinder—only partly answering the question—maintained his view that Russia was the heir of Greece, and "a great stationary population was being developed in the steppe lands—a revolution in the world that had to be faced." He emphasized that his aim was not to predict a great future for this or that country but to make a geographical formula into which any political balance might be fitted. His belief was that the future of the world depended on "the balance of power between the marginal region and the expansive internal forces."

IV

Tall, erect and distinguished, Halford J. Mackinder was a figure of the kind on whom other writers enjoy letting their imaginations play. The small dining club called "Coefficients" which he attended was described by H. G. Wells in his "Experiment in Autobiography" and appears in that queer, confused novel, "The New Machiavelli," as the Pentagram Circle. Besides the Webbs, Haldane and Sir Edward Grey, Leo Maxse, editor of the *National Review,* belonged to this brilliant group. Leo Maxse had been given the *National Review* by his father, Admiral Maxse, for what sport he cared to have with it. He turned it into one of the great reviews of the time. The Admiral, incidentally, provided the model for the central figure of Meredith's political novel, "Beauchamp's Career." Mackinder published in this magazine (1905) another important article, "Man-power as a Measure of National and Imperial Strength," which he pointed out should be read as a supplement to his "Geographical

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Pivot of History." The Army Course for the training of officers for higher appointments on the Administrative Staff of the Army, instituted at that time at the London School of Economics by Haldane as Secretary of War, was known as "Haldane's Mackindergarten."

The attraction of those who sought to imagine the lineaments of the figures of power at the time was returned by Mackinder in his own desire for an active rôle in British politics. He broke with the Liberal Party on the subject of free trade, when Joseph Chamberlain made the issue one of immediate controversy. Apparently L. S. Amery was responsible for bringing Mackinder over to the side of those who favored some form of imperial preference. In his recent book he says, "I did succeed, after several talks, in persuading Mackinder. Not to his personal advantage, I fear, for he would almost certainly, if he had stayed with his party, have risen to high office in the 1906 Parliament."[5] Mackinder contributed to the "Lectures on Empire" (1906–7), edited by his old friend, M. E. Sadler, a paper titled "On Thinking Imperially"—a slogan propagated by the Nazi geopoliticians two decades later.

Mackinder resigned as Director of the School of Economics on becoming a Liberal Unionist candidate at a bye-election for Hawick Burghs in 1909, remaining, however, as lecturer and later becoming Professor of Geography. This second attempt to enter Parliament was also unsuccessful. But in January 1910 he was elected for the Camlachie division of Glasgow, retaining his seat at the general election in December of the same year by a narrow margin, and holding it until defeated in 1922. Mr. Amery's retrospective verdict that, whatever the cause, Mackinder never quite made the mark in Parliament once expected of him, is incontestable. His greatness was of a different order—as a counsellor for general staffs, as Sir Alfred Zimmern has remarked, not as a practising politician. And in the meantime, Mackinder lectured—without notes, but with many sketch maps—to thousands of students who crowded to hear him. Inspirational to his appreciative students, he repeatedly defined his outlook: "Every event takes place both in space and in time, so it has both a geographical and an historical aspect."

[5] "My Political Life: Vol. I, England Before the Storm, 1896–1914," by Leopold S. Amery. London: Hutchinson, 1953.

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V

The book for which he is best known appeared in 1919—"Democratic Ideals and Reality." It was built on the thesis of 1904, but the "pivot area" became the now famous "Heartland area." The book was intended to reach the peace negotiators at Versailles, and it included the dramatic and often quoted (and misquoted) slogans:

> Who rules East Europe commands the Heartland:
> Who rules the Heartland commands the World-Island:
> Who rules the World-Island commands the World.

It was a warning, not a prediction, written "for the sons of light against the black forces," and "enlisting geography as an aid to statecraft and strategy," as two reviewers put it at the time.[6] Had the German General Staff elected to hold on the Western Front in 1914, and to strike with full force on the Eastern, Germany might then have gained the Heartland; and she came close to winning it in any event. Mackinder was profoundly concerned that the victorious Allies appreciate the necessity of constructing an effective barrier of independent nations between Germany and Russia. But only in Germany was the significance of Mackinder's warning understood. After the publication of his book, in the autumn of 1919, he was afforded an opportunity to function briefly as British High Commissioner in South Russia, then under the control of Denikin. He was knighted, upon his return in 1920, and thereafter played a valuable, if inconspicuous, part in Empire Affairs, being made a member of the Privy Council in 1925.

The major center of studies of geography and strategy in the Germany of the Weimar Republic was Major General Karl Haushofer's school of *Geopolitik* in Munich. Essentially, Haushofer's doctrine was a rationalization of wars of conquest. Assuming the necessity of "autarky," or national self-sufficiency, it proceeded to the idea of *Lebensraum* and the right of a powerful state to acquire whatever territory it felt it needed to attain self-sufficiency. In English and American literature it is still stated that Haushofer did not discover Mackinder until 1925. This is not quite correct. Returning as a defeated general from the First World War, Haushofer was made professor of anthropogeog-

[6] *Geographical Review*, New York, 1919–20.

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raphy at Munich, and in 1921, in a booklet under the innocent title, "The Japanese Empire in Its Geographical Development," he analyzed Mackinder's theory of closed space, and used it as the basis for a theory of German encirclement. Lifting one sentence from the context of the British geographer's lecture which had described a situation existing in the "mediaeval age," Haushofer quoted: "Thus the settled people of Europe lay gripped between two pressures—that of the Asiatic nomads from the East, and on the other three sides that of the pirates from the sea." It was Haushofer's opinion that such a situation still prevailed in 1920, and he proceeded to draw on the cover of his booklet a "suggestive" map of Japan, with "mutilated" Germany in comparison. On the map he drew geopolitical power lines showing Japan's prospective southern expansion; and an arrow pointing to Hawaii. Haushofer referred again to Mackinder's 1904 lecture in a book of which he was co-author titled, "Concerning the Battle for Liberty in South-East Asia," in 1923, and the following year he perverted Mackinder's ideas more definitely in a redrawn map in his work, "The Geopolitics of the Pacific Ocean." He coupled this with a resentful and fatalistic statement about the "900 million southeast Asiatics" who were Germany's "companions of disaster." Together with Germany, he said, they must struggle against "our merciless economic and political enemies and oppressors."[7] Haushofer's "reversed" map attempted to show how the land-locked Powers were allegedly put under pressure by the seafaring Powers. His grand strategy for Germany was therefore to break through this encirclement by forming a great Eurasian bloc with Russia and Japan.

When the sensational pact between Nazi Germany and the U.S.S.R. was signed on August 23, 1939, *The New Statesman and Nation* published an article discussing the way in which Mackinder's concept of the "geographical pivot of history" had been utilized by General Haushofer to help bring about the Nazi-Soviet pact.[8] Haushofer, who applauded the Soviet-German agreement "as a triumph of geopolitical statesmanship," retorted in his monthly contribution to the *Zeitschrift für Geopolitik*, October 1939, "honor-bound," he said to explain:

> In the last period of preparation [before the war] there occurred what Sir Halford Mackinder not only in 1904, but also in 1919 ("Democratic

[7] *Cf.* "Haushofer and the Pacific," by Hans W. Weigert. *Foreign Affairs*, July 1942.
[8] "Hitler's World Revolution." *The New Statesman and Nation*, August 26, 1939.

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Ideals and Reality") had warned against: "the vital necessity of Germany and Russia joining forces." As early as 1913, in *Dai Nihon,* I had called for the logical supplement of this pact, namely, for the alliance of both [Russia and Germany] with Japan, in order to create a giant transcontinental bloc capable of counterbalancing the two great Anglo-Saxon powers. . . .

The New Statesman calls "these ideas hard and realistic" and blames us "for purloining them, to a considerable extent, from the intellectual arsenal of British imperialism." Where does world history say that one may not learn from the enemy? *Fas est ab hoste doceri* (It is a duty to learn from the enemy) was already laid down as a rule of statesmanship by the ancient Romans. . . . Russia and Germany both lost the war because they fought on opposite sides. It took a long time, a much longer time than Sir Halford Mackinder had expected, for the Germans and Russians to find that out.

The pact created an increasing interest among Americans in Mackinder, and in Haushofer as well. In his 1904 lecture Mackinder had observed that "the development of the vast potentialities of South America might have a decisive influence upon the system. They might strengthen the United States, or, on the other hand, if Germany were to challenge the Monroe Doctrine successfully, they might detach Berlin from what I may perhaps describe as a pivot policy." The Nazi challenge to the Monroe Doctrine grew to such an extent that in the summer of 1940, by a virtually unanimous vote of both houses of Congress, the principles laid down in the Monroe message of 1823 were reaffirmed and embodied in the wider idea of the self-defense of the Western Hemisphere by all the American republics.

With the extension of the Nazi shadow over Europe, maps illustrating Mackinder's Heartland conception began to appear in American publications, and Americans became aware of the importance of global thinking and the need of maps for the air age showing the skyways over the top of the world and the distances of American cities from other parts of the globe. This interest was redoubled when Japan formally joined the Berlin-Rome axis on September 27, 1940; and global thinking became a matter of crucial immediacy when the surprise attack on Pearl Harbor, instigated and forecast by Haushofer in 1921, took place on December 7, 1941. In a lengthy article, supported by a map showing the line of attack on Pearl Harbor, Haushofer then rejoiced to find his own geopolitical prognostication confirmed. "Thus," he declared, "the forced defense of the much-plagued marginal spaces of the Old World in the triangle of Berlin-Rome-Tokyo by the 'pirates of the sea and the steppe' was widened to

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a global theater of war."[9] It is evident that the Japanese attack on Pearl Harbor was implicit in the Tokyo-Berlin bargain of September 1940.[10] Thus incited by Germany, Japan stormed south. "The tempo of affairs has quickened," observed Mackinder, "and the fields of action have widened in a single generation as by a miracle." The greatest and fiercest struggle in the history of mankind ensued.[11]

In 1943 Sir Halford was asked whether he considered that his strategical concept of a Heartland had lost any of its significance under the conditions of modern warfare. He furnished his answer in the pages of this review, in a significant article entitled "The Round World and the Winning of the Peace."[12] In it he reiterated his faith in the Heartland idea as "more valid and useful today than it was either 20 or 40 years ago." The concept did not, he granted, admit of precise definition on the map: enough to say that the territory of the U.S.S.R. was equivalent to the Heartland—with the exception that the Soviet Union was bulwarked still more by the area which he called "Lenaland," the territory drained by the great river Lena which flows northward from Mongolia to the Arctic Ocean. In short, the Heartland provided "a sufficient physical basis for strategic thinking." The Soviet Union, he saw, would emerge from the Second World War the greatest land power on the globe.

He lived to see the war brought to a close by the explosion of atomic bombs, but not long enough to write about it. In 1943 he did not feel that air power had revolutionized military strategy. "The conquest of the air gave the world's unity a new significance for all mankind," he said; but he agreed with those airmen who noted that the effect of airpower depends upon the efficiency of its ground organization: "It can only be said that no adequate proof has yet been presented that air fighting will not follow the long history of all kinds of warfare by presenting alternations of offensive and defensive tactical superiority, meanwhile effecting few permanent changes in strategical conditions."

[9] *Petermanns Geogr. Mitteilungen*, 1942, No. 1.

[10] *Cf.* William L. Langer and S. Everett Gleason, "The Undeclared War, 1940–1941." New York: Harper, 1953.

[11] *Cf.* Charles Kruszewski, "Germany's Lebensraum," *The American Political Science Review*, October 1940, p. 964–975; Joseph S. Roucek, "Political Geography and Geopolitics," "Twentieth Century Political Thought," New York: Philosophical Library, 1946, p. 313–336; George H. Sabine, "A History of Political Theory " (revised edition), New York: Holt, 1950, *Lebensraum*, p. 891–7.

[12] *Foreign Affairs*, July 1943.

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In his summing up, as always, he thought in metaphors. There was the Heartland, he said; there was the North Atlantic basin—what we have come to call the Atlantic Community; and there were two other great strategic areas—"the mantle of vacancies," the tropical forests of South America and Africa to be subdued to agriculture and populated, and the Monsoon lands of India and China. The problem of the winning of the peace, he concluded, was the problem of finding a balance among them.

Two problems were concrete—Germany and Russia. The former could be controlled, he hoped, by "embankments of power"—the North Atlantic basin on one side and the Heartland on the other. To defeat Germany's global aspirations, he declared, there must be effective and lasting coöperation among America, Britain and France—the first needed for depth of defense, the second as the moated forward stronghold, the third as the defensible bridgehead. Mackinder hoped that Russia would be friendly; but however that might be, the tremendous new strategic fact was that the Heartland—"the greatest natural fortress on earth"—was now manned by a garrison sufficient in number and quality to close its gates to the German invader. In his 1904 lecture he had noted that "Russia's pressure on Finland, on Scandinavia, on Poland, on Turkey, on Persia, on India, and on China replaces the centrifugal raids of the Mongol steppemen." In 50 years the wheel has turned full cycle.

Ten years before his death, in 1937, in an eloquent address entitled "Music of the Spheres," Sir Halford had made this observation:

> The imagination of mankind, massed by the new instantaneous mobility of thought and playing on the stern inelasticity of the globe has been panicked into rival ideologies, "communist" to embrace all the world in a single community, and "nationalist" to find safety in the self-sufficiency of each of a number of regional communities.

This remained his picture of the political problem. In the search for freedom men's minds will return again and again to his great pictures, facts and prophecies.

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THE CASE FOR PRIVATE INVESTMENT ABROAD

By Harold E. Stassen

DURING the last week of January 1954, two significant public documents were released in Washington which may go a long way towards setting down in specific terms the basic economic policy and program of the Eisenhower Administration. The first—the Randall Commission Report on Foreign Economic Policy—is a report to the President and the respective leaders of the two Houses of Congress by a group of private citizens and Congressional leaders, headed by Clarence Randall, Chairman of the Board of the Inland Steel Company. At this writing it is not yet possible to state on which findings the Executive Branch or the Congress concur. It is safe to say, however, that the report is consistent with the basic attitudes of the Eisenhower Administration in the field of foreign economic policy. The second document—released five days later—is the Economic Report of the President, the first such report to be issued by the new Administration. It sets forth President Eisenhower's economic policy and detailed economic program.

From these documents it is clear that there are certain fundamental axioms governing the conduct of the Administration in the field of foreign economic policy which can be related to United States private foreign investment. These axioms can be stated as follows:

1. The economic health of the free world must be built upon the resources and efforts of the citizens of each country, and not on repeated extraordinary grants of aid from the United States.

2. Economic progress in the United States is tied closely to, and has a direct impact on, the economic progress of the rest of the world.

3. A program for promoting economic progress in the United States must, therefore, provide for an extension and strengthening of economic ties with the rest of the world.

4. As one part of such a broad program, an increased flow of goods and capital across national boundaries would contribute to economic progress everywhere.

5. In particular, in furtherance of a high level of international trade, no policy is of greater importance than the encouragement

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of sound private United States investment in those areas of the free world where it is most needed.

As background for the case for United States private foreign investment, let me briefly outline the economic situation of the free world as it stood at the end of the first year of President Eisenhower's Administration. During 1953, agricultural production in the free world reached an all-time record level, though the rate of increase over the previous crop year was somewhat reduced. In most Western European countries the increase over prewar levels of agricultural output has exceeded the population growth. In 1953, industrial production was higher than any previous year in nearly all countries of the free world for which such information is available. Industrial production in Western Europe, for example, was at a record rate—about 5 percent higher than the previous peak in 1952. Outside of Western Europe, Japan was the principal country to show a dramatic increase in industrial production during the year.

Likewise, during 1953, gold and short-term assets of Western European countries reached a postwar high of over 11 billion dollars. With the continued growth in gold and dollar reserves, the currencies of the free world countries have been greatly strengthened. The deutschemark, the lira and the pound are now very close to the par rate. During this period, inflationary pressures have also been largely eliminated, and black markets have all but disappeared. The culmination to these significant developments was the achievement of a broadly balanced pattern of trade and payments at a high and growing level of economic activity. In 1953—for the first time in the postwar period—the United States trading account (exclusive of military end-items) with the rest of the world was in approximate balance at about 17 billion dollars. However, it must be noted that this balance was achieved in large part due to extraordinary United States military expenditures abroad, primarily expenditures by our troops overseas, and earnings from the sale of military goods to the United States under the offshore procurement program.

These broad economic advances in the free world have brought pressure to bear in favor of further trade liberalization and the restoration of free convertibility of European currencies with the dollar. At the October meeting of the O.E.E.C. in Paris, which I attended, the United Kingdom, France and Austria announced significant increases in trade liberalization. Likewise, as a result

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of these advances, it has been possible for Western Europe to maintain its defense expenditures for fiscal year 1954 at the high levels achieved in 1953, despite the decline in United States economic aid.

II

As the President's Economic Report states, the United States aid to the free world has effectively helped these countries bridge the difficulties of postwar restoration and readjustment. Because of the free world's increased economic and military strength, it has been possible for the President to submit in his recent Budget Message to Congress greatly reduced requests for foreign aid appropriations for the next fiscal year. The over-all request recently transmitted to Congress was 3.5 billion dollars, which represents a 1.2 billion dollar reduction over the amount actually appropriated for the current fiscal year. Of this 3.5 billion dollars, 2.5 billion is for military aid, including the United States portion of the Indo-China war financing. It has been possible to make a reduction of 33 percent in military assistance over the current year's appropriation due to the leveling off of force goals for defense forces in line with the increased reliance on new weapons and on mobility as against the traditional large decentralized land forces. The sum of $875,000,000 is being requested for technical coöperation and economic development. Various multilateral programs, such as the United States contribution to the United Nations Korean Relief Agency (UNKRA), the contribution to the Intergovernmental Committee on European Migration, account for the balance of $135,000,000. In general, economic aid to Europe has been ended, with a few specific exceptions such as the new Spanish base program, and the emphasis has shifted to technical coöperation and minor economic development programs in the underdeveloped areas of Asia, Africa and Latin America.

With the free world in relatively good economic health, and a consequent reduction in foreign economic aid, there is no longer a state of economic crisis. We are in the position to examine our economic problems and policies with greater deliberation than usually in the past and devote major attention—in coöperation with our partners—to forging strong and stable economic relationships among the free world countries which will endure beyond momentary crises. These relationships will provide the

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basis for sound economic expansion and rising standards of living for all peoples of the free world. Being in a position now to take a longer range view, we are, in accordance with President Eisenhower's policy, building the economic and defensive strength of the free nations, not on the basis of a certain year of maximum danger, but on the basis of continuing grave danger for many years. The over-all phasing of economic and military policies will be at a pace that we hope can be sustained indefinitely by other free nations as well as by ourselves.

This has already resulted, for example, in force goals being established for NATO that are not as high as those the ministers first set at the Lisbon Conference. It has resulted in an economic and military build-up at a somewhat reduced pace—but a pace that can be sustained for an indefinite period, given the will of the peoples of the free world. But it will require a follow-through in a substantial nature from this country in its great creditor position. That follow-through must come from a combination of an expanded United States interest in the rest of the free world, the alert implementation of our free world leadership position vis-à-vis the Soviet bloc, and a follow-through by our government in foreign economic affairs—particularly the encouragement of expanded investment of private funds overseas. Fundamental, of course, to this and to our whole foreign economic policy is the continuation of a high level of economic activity within the United States. By maintaining the high level of economic activity at home, by establishing through such policies as expanded private investment overseas a high level of exports and imports, and with the maintenance by the rest of the world of its present economic advance, the next step—as stated by the President in his State of the Union Message—can be taken; to wit, "the creation of a healthier and freer system of trade and payments within the free world."

In Western Europe, as we have seen, there is reason to be pleased with the progress that has been accomplished since the end of World War II. The economies of these highly industrialized countries, prostrate in 1945, have been completely restored. However, when we turn from Western Europe to the underdeveloped areas of the free world, we are impressed less by the magnitude of postwar developments than by the formidable character of the job ahead of us. On the whole, economic developments in these areas have been encouraging. But in several im-

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portant countries, notably India, Pakistan and parts of the Middle East, agricultural production in the postwar period has not kept pace with the growth in population and there has been some deterioration in the already inadequate diet.

Moreover, food requirements can be expected to grow even more rapidly in the near future. In Asia, for example, death rates have been reduced by more than 40 percent from the level of the early 1930's. To accommodate the rapid growth in population that these advances will ultimately cause, agricultural production will have to grow much more rapidly than it has in recent years, or, alternatively, surplus labor must be directed into the production of export commodities with which they can buy what they need from food exporting countries.

Agricultural labor in the underdeveloped areas of the world normally accounts for 65–75 percent of the total labor force, an extremely inefficient use of labor by Western standards. But, until more food can be produced with less labor, it is obviously idle to hope for any significant increase in the standard of living. Therefore, the attack on the problem of underproduction in these areas must be along at least two lines: 1, by technical assistance to encourage a more efficient system of food production and to give guidance in finding useful employment for the surplus labor released from the agricultural population (it is obvious that, if the introduction of more efficient methods of farming results only in the collection of pools of unemployment, little has been accomplished); 2, by capital investment, to expand industry and provide more industrial employment, thus accelerating the introduction of more efficient farming methods.

III

With this background, we can turn to the specific question: What is the case for expanded United States private investment abroad? How would this help the United States achieve its objective of "peace and security of all peoples"? As we have seen, world peace and security are closely tied to world economic well-being and progress. Such economic well-being and progress are closely related to expanded international trade, and expanded international trade is related to the increased flow of investment capital across national boundaries. Because the United States is the leading economic power in the world, all of this applies with multiple emphasis to the United States itself. The economic wel-

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fare of the United States is directly advanced by increased movement abroad of sound private investment. Such investment—if done wisely—increases our national income, raises our level of employment, increases the flow to the United States of necessary primary raw materials, and raises our standard of living. At the same time it contributes markedly to improving technical skills and raising the standard of living of foreign countries.

A satisfactory growth in industrial production in underdeveloped areas is impossible without a large import of private capital. In the first place, consumption levels in many of these countries are so close to the minimum requirements for health and energy that any significant reduction might well cost more in terms of total production than the amount transferred from consumption to investment. Secondly, under present conditions, any large reduction in living standards would be, to say the least, politically unwise. The fact is that countries which have the greatest need for capital investment are the ones that lack the income savings to make such investment themselves.

Therefore, an important objective of our foreign economic policy in the years ahead must be to stimulate the flow of private investment into those areas of the world where the need is greatest. At the present time the United States is the only important country with surplus savings available for foreign investment, though with the continued improvement in economic conditions abroad, other countries may be expected to make their contribution to the expansion in production throughout the free world.

In theory, the capital needs of an importing country can be satisfied as well by sales abroad of private and public securities as by direct investment. In practice, individual investors are inclined to be nervous and to liquidate their foreign securities at the first sign of trouble. As many countries found out in the late twenties, this type of borrowing is a weak support for a stable expansion program. Therefore, major attention must be focused on direct investment, whereby private enterprises in the lending country set up subsidiaries in branch plants, thus retaining a degree of control, as well as ownership, over the assets in the borrowing country.

In this form of lending, the United States has accumulated considerable experience, dating back to the last century. Over this period, the most powerful influence behind the outward flow of United States capital has been this country's need for raw ma-

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terials. Venezuelan oil, Chilean copper, Bolivian tin, more recently Canadian and Venezuelan iron ore and Middle East oil have offered attractive outlets for American capital. In some cases this has been because raw material was not available at home; in others, because the volume of domestic demand was forcing us into uneconomic domestic sources of supply. In all, investments in mining and oil accounted for over 6 billion dollars, or about 40 percent of the 16 billion dollars invested abroad at the end of 1953. Another 10 percent of this total represented investments in public utilities, most of which are needed to support mining and smelting operations, or the movement of their products to seaboard. Prior to World War II most of these activities were located in the Western Hemisphere, but since the war we have invested over a billion dollars in Middle East oil. Hardly less important than mining and petroleum properties has been the 5.5 billion dollars, or 33 percent, invested in foreign subsidiaries of American manufacturing corporations. The primary purpose of this type of investment has been to widen the market for the products of these manufacturing firms.

In 1914, United States private foreign investments were about 3 billion dollars; in 1919 they were about 4 billion; in 1930, 7.5 billion, and in 1943, 8 billion. In the last ten years our investments abroad have risen from about 8 billion dollars at the end of 1943 to well over 16 billion dollars at the end of 1953. Much of this, nearly 6 billion dollars, has been achieved in the four years since 1949 and reflects in part our renewed interest in assuring an uninterrupted flow of raw materials, primarily to the United States, but also to our allies in the free world. Detailed data are not yet available for 1953, but of the 4.1 billion dollars invested abroad in the years 1950–52, some 2.2 billion were devoted to increasing the free world supply of raw materials (including Canadian aluminum and European petroleum refineries). Something less than 1.5 billion dollars was invested in other manufacturing facilities, consisting largely of reinvested earnings rather than new capital. Investments in public utilities were little changed, and investments in trade were up about $300,000,000, representing reinvested earnings to a very large extent.

Certain features of the character of our foreign investment in recent years deserve particular mention as influencing the problem of capital expansion in underdeveloped countries over the next few years. First, to a large extent, private investment in

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recent years has been concentrated in a few large raw materials projects, some of which are now completed or nearly so. With our stockpile program now nearing completion, and the world prices for raw materials showing definite signs of weakness, the natural incentives for further expansion in this field are likely to be somewhat less than in recent years.

Second, reinvested earnings rather than new capital are becoming the predominant source of funds for the expansion of investment abroad. In 1952, for example, reinvested earnings amounted to $876,000,000 against $850,000,000 of new dollar capital. Moreover, nearly $500,000,000 of this new dollar investment went into a few projects, Canadian and Venezuelan ores, Canadian and Middle East oil, which have only begun to pay off in earnings. As their earnings increase, more of their capital needs for expansion can be financed out of retained earnings.

Third, apart from Latin America and more recently a few of the Middle East states, very little of our private investment funds have flowed into those parts of the world where the need for new capital is greatest. A breakdown of the 16 billion dollar United States private foreign investment shows that about 40 percent is in Latin America, 30 percent in Canada, with the remainder split evenly between Western Europe and the rest of the world. Living standards in those areas most in need of capital are too low to provide a wide market for the types of goods that American industry is capable of producing in huge volume and at low cost. And where raw materials required by American industry are available, transportation costs may well offset lower production costs. Consequently, for the immediate future, capital investment in these countries will have to give emphasis to the type of light industry which, using local labor and available raw materials, can produce manufactured goods for export or can reduce the country's dependence on foreign sources.

Finally, it is well to recognize that foreign investment during the last few years might well have been somewhat greater than it actually was, had it not been for our own requirements for rearmament and our own industrial expansion. With rearmament expenditures over the peak and our more urgent needs for additional plant and equipment satisfied, it is likely that the supply of American capital available for investment abroad will be considerably greater than in the recent past.

In the foregoing discussion, I have referred to United States

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investment in terms of the book value of foreign subsidiaries or branch offices of United States companies. Only about half of the recent annual increases in value of such United States investments has come from new dollar outflow from the United States, with the rest coming from reinvestment of the foreign earnings. If we look upon capital investment as a means of financing the United States export surplus, then we must pay primary consideration to the actual dollar outflow of capital from the United States. In the past few years, the net outflow of United States dollars into direct investment abroad has been at the rate of about $700,000,000 a year, although in 1952 such direct investment reached a peak of $850,000,000. For balance of payments purposes, to this outflow of private direct United States investment must be added the investment by United States citizens in new or outstanding foreign securities, and other long- and short-term investments. These other dollar capital movements averaged over $400,000,000 during 1950–52. Thus, the total private capital movement for the United States, both direct and portfolio, amounted to an average of about 1.1 billion dollars for 1950–52.

IV

Looking back at the growth in the United States of direct private investments abroad over the period since 1900 and looking forward to the possibilities that lie ahead, I firmly believe that if the United States is to fulfill its rôle as a great capitalist country and the world's leading creditor, we should double the average annual rate of such investment. In other words, I believe that by 1960 we should be able to invest abroad 2 billion dollars annually, with most of this in direct private investment.

In order to achieve an annual rate of 2 billion dollars by 1960, affirmative action must, and is, now being taken by the United States Government. The negotiation of treaties avoiding double taxation, and treaties of friendship, commerce and navigation which avoid discriminatory treatment of United States investments abroad, have been stepped up. Action on the part of the Administration has also been taken to insure United States capital against certain risks abroad. This has been done by means of investment guaranties, under which for a small fee United States companies can insure convertibility of profits into dollars, and against loss through expropriation. Although the program has

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not as yet greatly stimulated foreign investment abroad, with coverage to date amounting to $44,000,000, it has attracted considerable interest on the part of potential investors, and may expand in the future. As of February 10, 1954, 59 guaranty contracts, totaling $43,872,240, had been issued. Of this total, 54 contracts, totaling $42,078,209, were convertibility contracts, and five, totaling $1,794,031, were expropriation contracts. Investments by 50 companies in seven countries had been covered.

In addition, in his Budget Message to Congress on January 21, President Eisenhower made four very important specific tax recommendations for encouragement of private United States investments abroad, namely:

a. Business income from foreign subsidiaries or from segregated foreign branches which operate and elect to be taxed as subsidiaries should be taxed at a rate 14 percentage points lower than the regular corporate rate. This lower rate of tax should apply only to earnings after January 1, 1954. [This provision of law has heretofore been restricted to Western Hemisphere corporations and has been very beneficial in inducing United States investors to make foreign investments in Latin America.]

b. The present definition of foreign taxes which may be credited against the United States income tax should be broadened to include any tax other than an income tax which is the principal form of taxation on business in a country, except turnover, general sales, or excise taxes, and social security taxes. This country, by its tax laws, should not bring indirect pressure on other countries to adapt their tax systems and rates to ours.

c. The over-all limitation on foreign tax credits should be removed. This limitation discourages companies operating profitably in one foreign country from starting business in another foreign country where operations at a loss may be expected in the first few years.

d. Regulated investment companies concentrating on foreign investments should be permitted to pass on to their stockholders the credit for foreign taxes which would be available on direct individual investments.

In addition to these specific recommendations for more favorable tax treatment for foreign investment, President Eisenhower, in the same Message, made a general recommendation pertaining to all business which would allow "larger depreciation charges —in the early years of the life of the property by the use of the declining balance method of depreciation at rates double those permitted under the straight line method." He also recommended other methods for achieving the same result so long as they do not result in larger charges than those available under the declining balance method. If enacted by the Congress these would be, of course, applicable to all business, but they are of particular

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importance to all new investment, including foreign investment.

Likewise, the United States is encouraging other countries to help create the climate that will attract private investment. As one example of what can be done, let me take the case of Turkey. Just before Clarence Randall took over the Chairmanship of the Commission on Foreign Economic Policy, he went there with the encouragement of the United States Government and at the invitation of the Government of Turkey, to advise on the kind of steps that might be taken to provide a more favorable climate for private investment. The Turkish Grand National Assembly enacted on January 18, 1954, a "Foreign Investment Encouragement Law" which repeals previous restrictive legislation and sets up a high-level Committee on the Encouragement of Foreign Investment.

In this regard, it should be made clear that investment is not something that just happens. Nor does it grow naturally. It is a result, on the whole, of policy decisions by the government of the country which desires the investment of funds. Investors seek profits which may be freely paid to them in their own currency. They wish to be free of discriminatory treatment and abnormal risks. Since American investors have the enormous range of free choices on this continent—including Canada—where there are none of these difficulties, a climate that will induce foreign investment must, in general, approach and, if possible, exceed in attractiveness the conditions in North America. The Turks were trying to create such conditions.

Turkish economic stability, including maintenance of exchange rates and balance of payments equilibrium, stable credit and price policies, exchange control, import restrictions and bilateral trade and payments arrangements, were examined with a view to facilitating transfers of the earnings on and the principal of foreign capital. Political stability, including the risk of foreign aggression, internal political conditions, including the older statist philosophy and its threat of government competition through nationalized enterprises, had to be considered for the effect they might have on investors. Since Turkey has a stable democratic political structure with vigorous political parties, since the Turkish people have definitely rejected statism, and since the government has been divesting itself of existing state enterprises, investors have little reason to fear nationalization.

The Government of Turkey has now given the following as-

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surances: 1, that the scope of operations open to foreign investment in Turkey should be expanded; 2, that the earnings on and the proceeds of the sale of invested capital should be freely transferable abroad; 3, that any new law should be made retroactive and its benefits applied to existing foreign investments in Turkey; 4, that the government recognized the desirability of facilitating transactions in Turkish securities on world stock exchanges; 5, that it desired to create a promotional organization to attract private foreign capital; and 6, that it intended to push on quickly in implementing these proposals.

The new investment law passed by the Grand National Assembly of Turkey on January 18, 1954, reaffirms the first three and the financial part of the fourth above-stated assurances. A proposed new corporation law will accomplish the remainder of the fourth objective, and the administrative implementation of this law will include the setting up of a promotional organization which will likely be established in both Ankara and New York City. The Turkish Government has made clear that it will create facilities for mobilizing and investing the savings of the Turkish people in the active development of agriculture and industry under the impetus of private enterprise and individual initiative. It will also provide for the ready admission into Turkey of necessary foreign technical and managerial personnel, will give all possible facilities to the establishment and operation of modern business enterprises, and will seek, where desirable, to enlist the coöperation of foreign investors with Turkish enterprise and capital. I firmly believe that the implementation of this law will result in attracting to Turkey a considerable new flow of United States private capital in the year ahead.

V

What has been done so far in Turkey can be done equally well by any country really interested in attracting foreign investors. The United States Government stands ready, is indeed directed by provisions of the Mutual Security Act, to do all that may properly be done to aid other governments in taking the steps necessary to make themselves into "show windows" most attractive to the world investment community.

Inflamed nationalistic feelings fed by old oppression and Communist agitation will be responsible in some countries for hostility to the principle of development through private investment.

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Increasingly, we hope it will be realized that private investment is the best, indeed the only means of supplying adequate funds to do the job for which the underdeveloped world is clamoring. Will countries with plentiful oil resources indefinitely endure the deprivations which result from using their scarce foreign exchange to import oil that could be produced by private investors on fair terms? Will other countries with valuable resources be able indefinitely to satisfy their people's demand for development by assurances that leave unexploited resources "in the ground" or "on the land"? I do not believe so, and it would certainly seem that the majority of people in all countries would not choose to do so if there were a "fair" alternative. Whatever practices may have accompanied investment at some times and places in the past, there is no thought of, or necessity for, exploitation in making a case for private investment now.

On another front, the Foreign Operations Administration, in expanding its basic materials program in dependent overseas territories, is endeavoring to fit in with the financing of spur railroads, port facilities, highways and other public utilities necessary to the private development of the resources of the underdeveloped areas concerned. In addition, the Foreign Operations Administration is trying, in various ways, to develop an awareness on the part of private capital in the United States that overseas investment can be, and since World War II has been, very profitable. One study in this period shows that despite the problems of expropriation and convertibility there has been a higher net profit in overseas direct private investment than in domestic private investment. This is true of all categories—petroleum, manufacturing, mining, etc.—except public utilities.

Another course of action suggested by the International Development Advisory Board that has been given consideration is "that the United States take the initiative in creating an International Finance Corporation, as an affiliate of the International Bank, with authority to make loans in local and foreign currencies to private enterprise without the requirement of government guaranties and also to make non-voting equity investments in local currencies in participation with private investors." There are still other possibilities for assistance by the United States in this area through direct loans to country or regional development banks. Capital contributions would be required from the governments concerned, with equity capital provided by local

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and foreign investors and with the equity investors managing the bank. Such a plan, it is to be hoped, would foster local savings, the development of a capital market, and general economic development. It would consequently stimulate additional private investment from abroad. It goes without saying, of course, that neither of these two proposals would compete with the International Bank for Reconstruction and Development.

As was stated at the beginning of this article, one of the axioms of the Eisenhower Administration's foreign economic policy is that the free world must build its long-term economic future primarily on the resources and efforts of each country—working in harmony with the other free world countries—and not on repeated extensions of grant aid from the United States. The solid basis for the long-term pull is being laid, and we can draw positive encouragement from the recent growth of the free world economy, as shown by the economic indices as they stood at the end of the first year.

This strong economic advance abroad has resulted in sharp decreases in the President's requests for foreign aid appropriations for the coming fiscal year. It has provided the climate in which the building of a free and self-sustaining trade and payments system in a world of expanding trade may now go forward. The greatest contribution the United States can make to such a system, of course, is the maintenance of a healthy and dynamic economy at home. But, beyond that, there are many steps in the foreign field in regard to which the United States can and must take affirmative leadership. Foremost among these is to induce private capital to enter those areas abroad where the need is greatest. The attainment of this objective is not only a part of our foreign economic policy which looks toward a steadily expanding world economy, but in particular is of vital self-interest to the economic welfare of every American business. As we have seen above, the Eisenhower Administration has under advisement or is already putting into practice methods to increase the flow of United States private capital abroad so that, as the President has rightly said in his Economic Report, "Private capital may play a fuller rôle in developing new sources of materials, creating new productive facilities, and contributing to an increase in standards of living throughout the free world."

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OIL FOR PEACE OR WAR

By Herbert Feis

TOWARDS the end of the recent war, the American government and people became greatly alarmed over the inadequacy of their future oil supply. Vigorous and startling measures were taken for the purpose of assuring full access to and development of foreign supplies—especially those in the Middle East. This was the stimulus for an earlier attempt of mine to formulate the main elements of a national oil policy.[1] Every element and aspect of the problem has changed in the interval, necessitating another close look at the problems of policy in front of us in this entangled field.

When the first essay was written, our experience was again proving how great a volume of oil was needed to fight a war, and how vital a factor it was in victory or defeat. We were worried over the chance that the oil reserves within the United States were about to dwindle while the demands upon them would increase. Important changes in the international situation were forecast. The balance of power between nations was about to become distinctly different than before the war. The spirit of nationalism and the wish for independence among many dependent countries and peoples were becoming stronger. The political control of parts of the world in which huge oil deposits were located (especially in the Middle East and Far East) was about to be freshly decided. Along with these impending changes there was a high expectation that the future relations between the large victorious Powers would be amiable and that they would be jointly directing a system for the maintenance of peace.

The situation concerning oil and oil reserves has since become easier. But in contrast the political and military prospects that must be taken into account when formulating and directing official policies having to do with oil now appear more grim. The United States, along with many other nations, is engaged in a harsh and crucial struggle against the group of countries with Communist attachments, led by the Soviet Union and Communist China. Whether this will gradually subside or eventuate in a vast war no one can foretell with certainty. Meanwhile, we and our associates are compelled to maintain military organiza-

[1] "Order in Oil," by Herbert Feis, *Foreign Affairs*, July 1944.

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tions and arrangements of great scope; and to be perpetually on the alert, ready to meet any crisis, anywhere, swiftly. The possible speed and range of military action have increased; the destructive power of available weapons has grown almost beyond computation; and an adequate supply of oil, properly located, has become even more vital both for effective defense and attack.

II

In this last ten-year interval we have continued to use oil with prodigality. It was large in 1945 when we used about 1.7 billions of barrels, over 12 barrels per person; but by 1953 our consumption had grown to 2.7 billion barrels, almost 17 per person. There is every reason to think that the rate of use will continue to increase, perhaps a little more slowly if we remain at peace, unpredictably if we go to war. A total domestic demand for between 3.5 and 4 billions of barrels ten years hence can be foreseen.

Production within the United States has responded more abundantly to the ascending need and demand than was expected. Domestic crude oil production rose from about 1.7 billions of barrels in 1945 to almost 2.4 billions in 1953. This was supplemented by a growing amount of oil produced from natural gas; and the utilized production of natural gas, a complementary fuel, also grew and even more rapidly. It is expected to continue to do so.

American oil production could and would have been still greater had more been required. Our production is being restrained by a combination of measures, public and private. Except for these, current outflow from drilled wells would, it is estimated, be some 10 or 15 percent greater than it is—with little additional effort. Stocks are at record high despite these restraints on production. This increase of quickly available oil supplies has been in accord with, and partly in response to, the urgent wish and request of the government. The margin is certainly not too large for national safety; it could wisely be further enlarged. But the maintenance of such a substantial margin both of shut-in oil and of stocks creates problems for all branches of the oil industry and is a complicating consideration in the determination of our policy towards imported oil.

The well-sustained American production was due to a combination of causes which were more effective than had been foreseen. Three in particular brought about the growth: the intensi-

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fied effort and expenditure; improvement in the methods of finding oil and of extracting it from the ground; the discovery of new fields.

Year by year the number of new wells drilled increased, from about 31,000 in 1940 to over half again as many by 1953. The number of flowing wells has similarly increased. However, it is to be observed that the percentage of failures—of dry holes among those drilled—has tended to grow. But it is too soon to know whether or not this means that the search for new resources is about to become harder and costlier.

Anyhow, there is general agreement that the known and proven remaining oil reserves in the United States are now, contrary to former fears, substantially greater than ten years ago. In this interval they have expanded about as fast as current consumption. Statistically they are estimated to have increased from about 20 billions of barrels in 1945 to about 28 billions of barrels at the end of 1952. Relative to the rate of current consumption, this known reserve has risen from about eleven and one-half years' supply to an estimated twelve and one-half years' supply. It is pertinent to note that during this same period proven domestic reserves of natural gas have been similarly increased. The use of this product for purposes in which oil would otherwise be consumed is extending, thereby easing the situation both currently and prospectively.

Then, too, the technical and manufacturing knowledge for producing oil products from oil shale deposits has become adequate and tested. These deposits in the United States are immense. They could be converted into oil products at a cost not very much higher comparatively than production from natural crude or natural gas. But the investment and diversion of labor and materials required would be huge. It is best to regard this resource, as the industry and government does, as an ultimate reserve.

In the near prospect, more active interest attaches to two comparatively unexplored possible reserve areas on which large-scale operations are under way: 1, the oil-containing areas of Canada; 2, the off-shore and open-sea deposits. These may be very great if economical ways and means can be devised to draw forth the oil.

In sum, the American oil situation is more secure and dependable than it was thought to be ten years ago. But no less clearly

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there is still an imperative need to make sure that the drain on domestic reserves does not exceed our experience in discovering and maintaining new domestic sources of supply.

III

The demands upon our own reserves and production have been moderated by imports. These, as expected, have been increasing in greater ratio than consumption.

The course of imports of crude oil—one of the two main components of the import movement—is shown by the fact that while in 1945 they were only 4.2 percent of the total domestic supply, by 1953 they had increased to 9.1 percent of the greatly enlarged total. Various factors and conditions, some basic and permanent, some transient or variable, have operated to stimulate this rise in crude oil imports. Two basic ones are the fast growth of low-cost production in foreign lands—particularly Venezuela and the Middle East; and the lower transport costs, brought about by pipeline construction, the use of larger and more economical tankers and more efficient marine terminals. These have been supplemented by the need of various European countries to save dollars. This has impelled them to rely more on imports from the Middle East and less on imports from the Caribbean, thereby increasing the volume of Venezuelan oil for which there is no satisfactory market except in the United States. It has been sustained by various curbs and regulations within the United States which check the well-flow and transport of domestic crude but allow the American refiners to operate freely. The firmness of the price of domestic crude, sustained by official action, has induced import; if it were more flexible, there might be less stimulus to import.

But it is the other large component in our imports of oil which has risen more rapidly, the imports of heavy fuel oil (a residual refined product) coming almost entirely from the Caribbean. The inward movement of this fuel oil has increased from 6.6 percent of American production in 1945 to almost 30 percent recently. Still the impact on the domestic oil production and refining industry is comparatively small, for the imported production is complementary to American oil production rather than competitive. It is more cheaply produced from low-gravity crude, little of which is available east of the Rockies, while the chief demand for it is on our Eastern seaboard. Since this heavy fuel oil

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brings a smaller financial return from the crude used in other products—since, in fact, it usually sells at a lower price than crude—American refiners by and large prefer to make other products. Its main uses are in industrial, electrical generating and heating plants and in ships. Were the imported supply not available, it is probable that other fuels—coal and natural gas—would be mainly used instead; their cost would be higher. The American coal industry is at present protesting against the increase of this type of imported oil. However, among the conditions which are adversely affecting the domestic coal industry this is, I believe, secondary; and to reduce imports severely by quota would bring it only small and transient relief.

IV

We are still important in the world oil situation but no longer supreme. Though our production and reserves have, as stated, continued to grow, their advance has been slower than the expansion in foreign sources of supply. Under the impetus of American and British oil companies and the incentive of maintained prices other countries have been catching up with us. The comparative change during the past ten years may be grasped at a glance:

PRODUCTION OF CRUDE OIL

(Billions of Barrels)

	United States	*Foreign Countries*	*Total World*	*Approximate U. S. Percent of Total World Production*
1945	1.7	0.9	2.6	66
1947	1.9	1.2	3.0	63
1949	1.8	1.6	3.4	53
1950	2.0	1.8	3.8	54
1952	2.3	2.0	4.3	54
1953 (est.)	2.4	2.1	4.5	53

The rising portion of foreign oil in the total of world production reflects with a strong lag the rate of discovery of foreign resources—particularly those of Venezuela and the Middle East. Ten years ago the immensity of the underground deposits in these two areas was being grasped by expert minds; today it is established by exploration and development; and future experience is likely to lead to still more upward revision of the quantities available.

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ESTIMATE OF PROVEN RESERVES, U. S. AND FOREIGN, AS PREVIOUSLY AND AT PRESENT

(Billions of Barrels)

	U. S. Reserves	*Foreign Reserves*	*Total World Reserves*	*Approximate U. S. Percent World Total*
1945	20.5	30.7	51.2	40
1950	24.6	51.8	76.4	31
1952	27.5	76.2	103.7	26
1953	28.0	90.7	118.7	24

This record of foreign production and proven foreign reserves is firm enough to justify the dismissal of all fears of a serious and prolonged oil shortage in the world as a whole. The job on which the American oil industry and government vigorously launched out some 30 years ago—to assure a great enough world oil supply to take care of the growing needs of the United States and the rest of the world—has been accomplished. There will long, if not always, be enough for all at all times.

But this promised amplitude of resources underground somewhere in the world is not in itself a guarantee that the United States will always get all the oil it needs even in peacetime. That will be assured only if production is not seriously interrupted, if we have adequate means of payment, if world trade is not greatly confined by political influences. And if in the event of war we have the power and the means to retain access to the needed sources of supply.

V

A few main facts will suffice to indicate the spectacular rate of development in the Venezuelan and Middle Eastern oil fields.

Venezuelan production has increased to almost 15 percent of the world total even though the Venezuelan Government has not for years opened any new areas for exploration and development. The portion of its exports in the total international movement of oil is much greater.

In the Middle East the course of discovery and development has aroused awe, almost consternation. The 120,000,000 barrels produced in that area in 1939 are to be compared with 800,000,000 barrels or more produced in 1953; and this despite the fact that since 1951 there has been no production in one of the large sources, Iran. The outflow of all the main Middle Eastern centers could be substantially enlarged by drilling a very small number

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of new wells, and of several merely by turning valves. The production in Sa'udi Arabia and the Kuwait-Sa'udi Arabia Neutral Zone is nowhere near its potential easy flow.

The known proven reserves are now quite large enough to meet any future call. Estimates current in 1940 of 6 billion barrels and in 1950 of 32 billion are now in excess of 65 billion. This is half again as great as those believed to exist in the Western Hemisphere, and substantially more than half of those known to exist in the world. The abundance is matched by the cheapness of the physical cost of production. The initial costs of locating the oil, drilling for it, transporting it, and refining it—*i.e.* of getting a large development going—have been high; but once going, the oil is had at an extremely low cost. While each live well in the United States has, on the average, been yielding between 11 and 13 barrels a day, in Venezuela the yield is about 200, and in the Middle East about 5,200.

To summarize: the resources of the Middle East are large enough, good enough and expansible enough to provide the whole world outside the Western Hemisphere and the Soviet Union with all it may want—and with enough left over to meet any demands of the Western Hemisphere and the Soviet Union. The pertinent and hard problems are ones of human behavior, and they are turning out to be manifold. Among them are the settlement of terms for production and sale; the division of the yield among producers, local governments and consumers; the achievement of satisfactory and stable political conditions throughout the area; protection of the oil properties against conspiracy within and enemies without.

VI

Ten years ago the fear that American oil interests would be refused favorable share of participation in Middle Eastern resources was still lively. But now it is past. The American companies own a very large share of the right to produce and of the production in the area. This extension of American control is economically important. But in ordinary times almost all of the oil produced, irrespective of the nationality of the company which controls it, is available on roughly equal or similar terms to buyers of all countries; and in times of war or emergency, political circumstances and military power are apt to determine who gets access to the production.

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Except for one recent entrant (in the Kuwait-Sa'udi Arabia Neutral Zone) all oil operations in the Middle East are divided among seven great international oil companies (and their subsidiaries and combinations). The Royal Dutch Shell and Anglo-Iranian are under British control, the Standard Oil of New Jersey, Socony Vacuum, Standard Oil of California, the Texas Company and the Gulf Oil Company are American. In practice one company or combine is dominant in the production of each of the separate Arab realms.

This group of companies, American and British, are in some ways associates, in others competitors. For business reasons they show regard for each other and usually avoid extreme competition. But even those which are joined together in the ownership and control of an enterprise may have divergent interests in regard to it—bearing on such matters as the amount of new capital to be provided, dividends, the amount of oil to be produced, markets to be sought. Often there is an uneasy truce in the sharing of markets, and in some of them active competition and rivalry. The governments of many importing countries also in one way or another influence, regulate or enforce their competition.

Each of the individual national states of the Middle East tends to press the company which operates in its territory to expand production, irrespective of the effect on other producing companies. This is one of several courses, geological, political and financial, which will continue actively to stimulate expansion of the production and export of Middle Eastern oil. They will be strong enough to prevail over the restraints resulting from company understandings and mutual company respect for each other's interests. There are no arrangements in the Middle East, such as the American State Regulating Commissions and the Interstate Oil Compact, to adjust current production to anticipated demand. What protection there is against extreme periods and phases of competition, periods that might bring great distress to some areas of production and perhaps upset governments, can be only of a private kind.

The local governments have by now become deeply associated with and dependent on this oil activity. They have demanded and secured a larger financial return from the oil produced within their territories, a larger share of income gained. In ways complex and various, the financial basis of relationship between the companies producing oil in the Middle East and the local govern-

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ment has become roughly this: that the government is entitled to or secures approximately one-half of the net income of the company. The same, it might be noted, is true of Venezuela.

The increase in production, and increased levies upon production, have together most steeply increased the income which these local governments secure from oil. In 1940 it was about $26,000,000, by 1950 it had risen to $188,000,000 and in 1952 it was about $500,000,000. In the six main Middle Eastern sources of supply—Sa'udi Arabia, Bahrein, Iran, Iraq, Kuwait and Gatar —this income has become essential to the maintenance of government operations. Perhaps even more crucially, the foreign exchange provided by oil exports has become essential for the maintenance of the economy of the country. This means in effect that any and all would suffer severely, as Iran has, from any substantial decline in oil production and exports. The consequences might extend far and disturb our political relations and military arrangements in both the Middle East and the Caribbean. Recognition of this fact must not, however, lead to the easy opposite deduction—that a thriving oil industry in these areas would guarantee their friendship and eliminate all chances of internal disorder. That would ensue only if their income from oil is well used to improve the condition of their people, if the local governments do their jobs honestly and in a progressive way, and if the spirit of nationalism keeps within reasonable bounds.

We have faced and are facing many troubles in this region. The spirit of nationalism is forceful and rampant, expressing itself in a wish to gain control over the oil companies. Hostile advocates are hard at work to derange the American and British oil enterprises, seeking to deprive the NATO countries of oil, and in the resultant quarrels to clear the way for Communism. The sorry experience of Iran, which in 1951 expropriated and nationalized the Anglo-Iranian enterprise, may stand as a warning example.

But perhaps not. It may be that we cannot, will not or should not pay the price that one or another of these local régimes may place upon its friendship and coöperation. We ought not to allow ourselves to be vulnerable to unjust actions or threats, either because of the need for oil, friends or allies in the political sphere, or for military bases. We ought not to expose our security to the possible mismanagement, missteps, or ill will of the régimes in these various Moslem countries.

But of course we should show just regard for their interests

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and wishes. We should continue to strive to be helpful—generous and patient—without seeming or being timorous. This means that we ought not to hinder the development of their oil resources except for clear reasons of broad national welfare or security. The transient distress of a few oil and coal-producing localities in the United States should not hurry us into restrictive actions which these poorer countries may properly resent, and the effect of which would be greatly exaggerated and exploited by our enemies. These comments on our conduct in and towards foreign oil producing areas are as applicable, it would seem, to the American oil companies and their employees as to the American Government.

VII

At the end of my earlier article I wrote out in neat and numbered paragraphs the elements of a national oil policy. On present re-reading I find there is not much reason to be proud of the effort. Still I shall be bold enough to try again—taking into account the changed facts of today and the present look of tomorrow.

(1) We ought to continue our efforts to enlarge our knowledge of our domestic fuel resources and of the best ways of using them.

(2) Similarly we ought to continue to encourage the application of the knowledge gained in all fields of use, *e.g.* by hastening the introduction of more efficient internal combustion engines.

(3) It remains essential to stimulate search for and discovery of new domestic supplies of oil. Some of the incentives to be used as necessary are: (a) to assure the availability of capital funds needed at low cost; (b) tax allowances of various possible sorts: the depletion allowance which allows the oil companies to pay for their efforts to find and develop oil with funds that would otherwise have to be paid as taxes, and special schedules of tax write-off for approved purposes or projects; (c) requirements in laws and contracts for exploration of leased areas.

(4) Domestic production, refining and transport capacity should at all times be substantially greater than ordinarily needed. This excess capacity would be a margin of reserve for peace or war emergency, and as such ought to be kept in ready order. To encourage and enable the private oil industry to maintain this excess capacity, aid and incentive of the same sort as

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those stimulations just mentioned might be used as necessary.

(5) The reasons why it might be prudent for the American Government to acquire proven domestic underground reserves of its own—in addition to those of the oil companies—have gained force. Should we get engaged in a major war, all branches of our domestic industry would be more subject to and more vulnerable to attack and destruction. So would all foreign sources of supply. In contrast, we might be compelled to supply oil from our own resources to a larger and more widely scattered and battered group of dependent allies.

Any government reserves set aside for such an emergency should be kept at the point of quick production. A stock of all needed machines and supplies should be kept in place. It may be that the government should recruit as well a special corps of trained workers who could be available at once in time of emergency to bring these reserves into use—without depriving private industry of needed workers.

(6) The United States should continue to encourage the development of foreign oil resources both because of the growing foreign demand for oil and to keep the demands upon our own resources within satisfactory limits.

Foreign countries are increasing their use of oil even more rapidly than we. Each year it has been becoming a more and more important element in their economic activity, in their way of living, and in their military operations. They must have an adequate supply at comparatively low cost. This can best be provided by others. Further than that, the great foreign reserves should be drawn upon for our own peacetime needs to the extent that they can be, without preventing our domestic industry from thriving and expanding.

This connected treatment of American and foreign oil might be translated into policy as follows:

(a) Within the United States we ought to continue the present methods for regulating production, particularly the state measures and the Interstate Oil Compact. But these should be managed with a view to seeing that while the prices of domestic oil do not become so depressed as to retard the search for and development of new sources of supply, they are not kept so inflexibly high that a disturbing large volume of imports is attracted. Perhaps companies engaged in oil production abroad will exercise prudent restraint over imports into the United

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States (or selling for import into the United States) if the profit temptation is not too great. Otherwise it may become necessary to limit imports by increased duties, taxes or quotas.

(b) But such action should be avoided until or unless it should become clearly necessary; by which is meant that the imported volume becomes so great as to cause a marked lag in domestic production and development. Even if such a situation should develop before resorting to official restrictions, it might be advisable to seek a solution by joint consultation with domestic and foreign oil producers with a view to arranging a voluntary regulation of imports.

(c) The American Government should continue to encourage American oil enterprises to develop foreign resources. Therefore it should continue to advocate the doctrine of the Open Door. Also, if necessary for a primary political or military purpose, it might even resort to the same kind of financial incentives as those used to stimulate domestic development.

Further, in the event of oppression or dispossession it should give protective aid to responsible and fairly-acting American private oil interests. Against both desire and inclination the need for such official support may become greater rather than less. Whether any crisis of this sort may be of grave enough prospective military or political consequence to warrant the use of retaliatory measures or even of our armed force cannot be foretold; it is not wholly out of the question. The American Government has accepted the principle that foreign governments have the right to nationalize enterprises within their domain; thus it has not disputed their right to use their sovereign power to expropriate American oil companies as, for example, in Mexico and Bolivia. Its formal position has been that the owners ought to be given satisfactory compensation—described as adequate, prompt and effective compensation. Unless this is paid there will be a temptation even for unqualified governments to think they can make a quick gain.

This principle may work out all right with countries which have substantial protective capabilities and responsible financial management. But the results are bad and unfair in the case of countries that lack both the capacity to pay for the properties they have taken and the ability to manage them. In such cases the right to fair compensation will be thwarted and the enterprise hurt if not ruined. The American Government should make

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clearer than it has that it thinks it both regrettable and harmful that American properties should be expropriated without special cause by governments unable to pay fair compensation or to manage the properties well. The counterpart of this protection lies in the duty of the American oil companies to share the benefit of their operations generously with the people and governments of the countries in which they operate.

(d) For reasons given in earlier pages, it will probably not be advisable to apply to the activities of the American oil companies in the Middle East the full force of American law in order to compel them to compete rigorously with one another. Or, stated more positively, they ought to be allowed to work in combination with each other more freely than they would be in the United States.

(e) The American Government should, through continuous consultation, exercise guiding watchfulness over the policies and activities of American oil companies abroad. Agreements other than those of an ordinary business character between the American companies and foreign companies and all new concessions should be disclosed to the government in advance.

VIII

The problem of trying to assure ample supplies of oil for the United States and its allies in the event of war, wherever and whenever needed, has become more important, more complex and more uncertain. Almost all the measures and policies that have been proposed in this statement may be regarded as protection against weakness in diplomacy or war—due to lack of oil. These, along with ordinary military precautions, would be sufficient for any limited or local war. But in the event of a world-wide, all-sweeping and all-demanding struggle between ourselves and the Communist world, they might turn out to be inadequate or poorly conceived. In such a war presumably the new weapons —atomic and thermo-nuclear, the guided missiles and the great fast planes—would all be employed by the enemy and by ourselves. Almost certainly the first main actions would all be very fast, very destructive and aimed at many places.

Should this happen, the determining factor might not be the quantity of available underground reserves or even the quantity of total production in existence before the battle began. The refineries, marine terminals, storage depots, transport centers, all

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would be vulnerable; and it might be quite impossible to maintain anything like the ordinary methods of oil distribution and transport. Therefore, what might count most is having enough oil (entirely ready for use) in storage at enough places. This would seem to require storage of oil at some points chosen primarily because they were deemed to be relatively safe from attack; the storage of oil at far more points than are likely to be directly involved in action; and many kinds of special preparations for getting the oil to wherever the chief centers of American attack and defense may be. On these matters it would be foolish in this paper to enter into detail.

But it may be suggested further that defense reasons may justify somewhat different attitudes towards foreign oil developments in different geographical locations. Thorough study may lead to the conclusion that there is relatively less need as well as relatively greater military reason for supporting the oil ventures in the Caribbean and the Far East than those in the Middle East. For the chances that the resources of the Caribbean would remain available to us and our allies at least in some measure is the greatest, while the water haul to the Far East, where important military actions would surely occur, would be very long and exposed, and the possession of nearby resources would be crucial.

These comments on the military aspects of our oil policy leave unanswered, I recognize, some of the most vital points in the problem. The vulnerability of many sections of the oil industry both in the United States and the Caribbean should be borne in mind. Could it be expected, for example, that the refineries on our Eastern seaboard, in the Gulf of Mexico, and in the Netherlands West Indies would be able to continue to operate? What can we do to improve the chances that they would be? Or—to take another segment of the question—is it expected that we shall be able to transport any large amount of oil to the British Isles or Western Europe? Query pursues query.

Broad as the map of policy here given may seem to the patient reader, in reality it is a greatly condensed and curtailed sketch. It may perhaps be useful for compass direction, but it is subject to the variable events of politics and the shocks of scientific change.

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THE PROGRESS OF SOVIET SCIENCE

By John Turkevich

SINCE the beginning of the nineteenth century science and technology have been playing a greater and greater rôle in shaping the lives of individuals, communities and nations. This has been true particularly in the West, where economic, social and political institutions and customs have been largely transformed by technological advances based on scientific accomplishments. Economic, social, political and spiritual values all still play their independent parts in creating the pattern of modern civilization. Nevertheless, running through nearly all of the complex mechanism of modern living are strands of technological advance which run back to the knot of some major scientific discovery. It is only reasonable to assume that this process will continue. If so, our ways of living and the direction of world affairs 10 to 20 years from now will be materially affected by what is being done or not done in the industrial development and engineering laboratories at the present time. Similarly the shapes of things a half-century hence will depend a great deal on what is going on in the pure science research laboratories now.

All these truisms about science and technology in the West apply to the Soviet Union. Perhaps they have not applied for quite so long a time, but there can be no doubt that the powerful Soviet state confronting the world today is based on substantial accomplishments by Soviet scientists and educators as well as on effective performance by Soviet engineers and technologists. Beyond this, it is clear that the future balance of world power will depend to a considerable extent on Soviet success or lack of success in the international race for scientific knowledge and technological achievement. Knowledge of the main features of Soviet science—its traditions, ideology, organization and personnel—may therefore enable us to assess some of the accomplishments of Soviet science and its hopes for the future.

Science was introduced into Russia by Peter the Great. Impressed by scientific demonstrations on his Western travels, he brought back to St. Petersburg a number of scientific curios and sketched a plan for the organization of science. In 1725, a year after his death, his successor, Catherine I, founded the Imperial Academy of Sciences. It consisted of a group of scholars, a scien-

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tific museum and a secondary school. The scientists themselves had to be imported from the West, since Russia at that time had none. They were well chosen; among them were the Swiss, Leonhardt Euler, one of the greatest mathematicians of all time, and several of the Bernouilli family, internationally known scientists, along with others of less illustrious name. When a sufficient group of native scholars had been trained, a reaction against their foreign teachers developed under the leadership of the genius of eighteenth century Russian culture, Michael Lomonosov.

The development of science in the latter half of the eighteenth century and in the nineteenth century did not produce a large number of outstanding Russian scholars. Yet the names of Mendelcev (the discoverer of the periodic system of chemical elements), Lobachevski (the founder of the non-Euclidean geometry), and Pavlov (the formulator of the concept of the conditioned reflex) are now part of the world's cultural heritage. There were others, such as the physicists Jacobi, Lenz and Lebedev; the mathematicians Kovalevski, Chebyshev, Liapunov, Markov; the chemists, Markovnikov, Butlerov, Menshutkin, Beilstein, Chugaev, Reformatski; the biologists Kovalevski, Vinogradski, Pavlovski, Mechnikov, and Bekhterev, whose discoveries helped in the development of some aspect of science and whose work is valued by specialists in their fields.

The many Russian inventories of that period whose "discoveries" recently have been publicized by the Soviet Government were mostly so localized that they not only did not affect the development of Russian technology but were not heard of in the West. The language barrier, ever present in the relationship of Russia with the West, helped to keep the latter ignorant of the work of these Russians. The Soviet régime, however, while doing its best to keep the cultural barrier between East and West, is very sensitive about the reputations of these "inventors" and points with exaggerated national pride to such discoveries as that of the steam engine by Palzunov, the electric arc for illumination by Yablochkov, the incandescent lamp by Lodigin and the radio by Popov.

Although these men had little influence on Russian scientific development, the twentieth century opened with a good deal of promise. There was a respectable though small Imperial Academy of Sciences, and several active universities (St. Petersburg, Moscow, Kiev and Kazan) where scientific teaching and research

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were going on in a manner not inferior to that of comparable Western institutions. A small group of highly trained scientists and engineers had supplemented their excellent Russian education with studies at Western centers. Finally, Russian science was being strengthened by the availability of an unusual source of personnel—the Russian intelligentsia, that group of people socially uprooted by the economic changes taking place in nineteenth-century Russia whose general education and culture was as advanced as any in the West.

World War I, the Revolution and the havoc of the Civil War that followed dealt a telling blow to the intelligentsia. Persecuted by the rising proletariat, many lost their lives in the cataclysm of 1917–1923, and others left Russia to enrich the culture of many other lands. Science, which had been tolerated though not encouraged by the Imperial Government in its later days, gradually assumed an important rôle in the development of the Soviet state. The small, staid Imperial Academy of Sciences became the active, expanded U.S.S.R. Academy of Sciences. The four or five prominent universities spawned 33 new ones scattered across the expanse of the Soviet Union. It was decided to give a large number of people a scientific and technical education, and the small group of the intelligentsia that had survived persecution and avoided exile served as leaven for the creation of a new class of scientists.

Science comes into the Marxist scheme of things in a number of ways. In the Marxist thinking, the control of the state cannot be separated from the control of economic production. Technological advances change the economic balance and introduce new methods of production. Since scientists and engineers are responsible for technological advances, their activities must also be controlled. Several methods were tried by the Communist Party. The victorious "proletarian" régime tried immediately after the Revolution to make the scientist its slave, hoping in this way to guarantee its control of production and consequently continue to control the state. The attempt to make slaves out of the scientist and the engineer failed, in the Marxist view, because of the unreliable bourgeois background and Western leanings of the people in these professions. It was accordingly attempted to create a group of scientists from the proletariat. Although this was not entirely successful, Soviet scientists and engineers, together with other members of the Soviet intelligentsia, had by the time of the Second World War attained a position of prestige and economic advan-

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tage in Soviet society reflected in the common Soviet claim that the three pillars of the Soviet state are the workers, the peasants and the intelligentsia.

Marxism also affects science in a more subtle way through its philosophy of science. To its adherents, Marxism is a total philosophy and as such includes a philosophy of science. Marx, Engels and Lenin thought that they themselves were scientists and laid down rules to govern scientific thought which were embodied in the philosophy of dialectic materialism. The philosophy of dialectic materialism was not only formulated by people who did not know modern science, but is also full of contradictions. It is a materialistic philosophy emphasizing the overriding importance of the material aspect of nature. On the other hand, in its dialectic approach (through what the Marxists call "the three subsidiary laws of change," "negation of the negative" and the "transition of the quantitative to the qualitative change") it emphasizes idealism. For more than a decade after the Revolution Soviet philosophers argued as to the proper balance between these two components of their philosophy. Their conclusions were often decisively influenced by the dictates of party leaders, and as a result the chair of Marxist philosophy at the universities became a perilous one to hold. Eventually, in the Stalinist society, the Marxist dialectic materialism was replaced by a Stalinist philosophy of science whose main tenets were: do not be an idealist; make your research useful for building up the new Soviet state; criticize others and yourself; do not be subservient to the West; and honor your Russian scientific forebears.

Through its party functionaries, its Marxist professors of philosophy and its security officers, the state keeps a close watch at all educational and scientific institutions for possible "deviations" among staff members. Scientists who have had close personal ties with Western scientists are particularly suspected. Those whose work has been translated into English are invariably scrutinized for idealism, subservience to the West and neglect of Russian scientific forebears. This activity culminated in the famous genetics controversy and in the "reëxamination" of the various branches of science which followed.

Science in the Soviet Union is highly organized and well financed by the government. The main administrative agency is the U.S.S.R. Academy of Sciences, which occupies the key position in the organization, development, planning, execution and

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financing of science in Russia. This self-perpetuating organization is composed of 150 full members and 250 associate members, drawn not only from all fields of natural sciences but also from other fields such as philosophy, history, economics and law. The Academy is divided into the following sections: physics-mathematics, chemistry, geology, biology, engineering (technical sciences), literature, language, economics and law, history and philosophy. Election to membership is preceded by wide publicity. At the election last October, the first in seven years, 199 new academicians and associate members were inducted. This marked a significant stage in the life of the Soviet science, indicating that a new generation of Russian scientists has become available to establish firm control over the Academy, which for some time contained a relatively high percentage of scholars trained under the Imperial régime.

The president of the Academy is a man of high prestige in the Soviet Union, elected by the Academy for a five year term and holding a rank equivalent to that of a major cabinet minister. His portrait often appears in newspapers and magazines: and his prominence is attested by his inclusion in the group of the 25 Soviet leaders who gather on Lenin's tomb for the celebration of the October Revolution. The present president of the Academy is Alexander Nikolaevich Nesmeyanov, a member of the Communist Party, born in 1899, who studied organic chemistry under the dean of Russian organic chemists, Zelinski, at the Moscow State University. His scientific work has been in the field of organo-metallic compounds, of which tetraethyl lead used in gasoline is a good example. He was elected president of the Academy in 1951 on the death of Sergei Ivanovich Vavilov. Since 1947 Nesmeyanov has been chairman of the Stalin Prize Committee, Chancellor of the Moscow State University, Vice-President of the Supreme Soviet of the R.S.F.R., member of the Moscow City Soviet and of the World Peace Committee.

The Academy carries on its research work in a number of institutes, most of them centered in Moscow and Leningrad. The institutes, whose number has been relatively stabilized in recent years at about 60, employed about 6,000 scientific workers in 1949, and about 14,000 workers in administrative and service functions. A representative list of the names of the institutes gives an indication of their activities: The Institute of Physical Problems, the Institute of Physical Chemistry, the Geophysical Insti-

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tute, the Radium Institute, the Institute of Genetics. These institutes are the élite guard of Soviet science, well equipped with apparatus, both imported and of Soviet manufacture, and attracting the best-trained Soviet scientists. The findings of a large amount of creditable scientific work are published by them, and these results are available outside the Iron Curtain. Research is also carried on at the major universities of Moscow, Leningrad, Kiev, etc., and there is close liaison between the universities and the institutes. There is also a very determined effort to organize scientific research in the outlying sections of the Soviet Union through branches of the Academy of Sciences and academies maintained by the various Soviet republics. The number of sophisticated scientific articles coming from centers far removed from Moscow testifies to the widespread distribution of highly-trained scientific personnel. In addition to these research institutes and the laboratories of the universities, research organizations are set up and controlled by the Ministries of Defense, Heavy Industries, etc. The Academy of Science exerts a powerful influence over the whole administration of Soviet science: it poses the key problems to institutes, approves their programs, appropriates the financial support, reviews each year the accomplishments of the various projects, and publicly reprimands institutes and individual academicians for failures in assigned work.

The Soviet scientist enjoys marked economic advantage over his fellow citizen. Judged by Soviet standards he is very well paid. If he is elected to membership in the Academy, he receives a monthly bonus, a good flat in Moscow, a fine country home in the Academy village, an automobile and other privileges. Scientists doing research at the universities and the institutes receive a higher financial compensation than those in industry. Every attempt is made to attract the best young men and women into scientific and technological work.

Exchange of scientific information has long been recognized as a necessary mechanism for the rapid developent of scientific knowledge. This is admitted, at least to a limited degree, by the Soviet Government. The Academy publishes about 30 journals. Their top scientific journal is the *Dokladi* (Reports) of the U.S.S.R. Academy of Science and its four-page articles reporting original investigations indicate the broad scope of Soviet scientific work: in 1952 it contained 250 articles on physics alone. The other journals report in more detail the completed investigations

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as well as the proceedings of the numerous scientific conferences held in the Soviet Union. Most of these journals are regularly received in the United States. In September 1947, the Soviet Union discontinued the practice of publishing scientific work in other languages than Russian. Few Western scientists know the Russian language, and attempts to make results of Russian scientific work available to them have not been too successful.

The Soviet scientists are, on the other hand, very well informed about what is happening outside the Iron Curtain. Almost all important scientific books are translated into Russian and are given a wide distribution at low cost. At least four journals are devoted to the presentation of new developments in the various branches of science and these report fully and promptly on Western scientific results; anyone who reads them gets a very good picture of the status of Western science.

The Soviet Government lays great stress on education, especially technical and scientific education. Compulsory free education in the so-called seven year school is given to all children from the ages of seven to 14. In all the larger population centers there are ten-year schools that complete the secondary education at age 17. There is a slight fee for the three additional years of secondary education. An entrance examination in several school subjects, Russian, and a foreign language must be passed for admission to a university, of which there are 33, in addition to the 880 institutes of higher education. In 1951 there were about 6,000 professors in the Soviet Union, 25,000 assistant professors and about 1,200,000 students. The students in the universities are subsidized by the government on a merit basis. There has been considerable excitement in the Soviet press during the last several years about the construction of the new Moscow University in the Lenin hills just outside Moscow—a mammoth skyscraper, 850 feet high and more than a mile and a half in circumference. The central section, 37 stories high, will house the departments of geology, geography and mathematics, and a library of more than 1,000,000 volumes. Four 19-story wings will contain apartments for the staff and student dormitories, and other buildings outside the central block will be devoted to chemistry, physics, biology and administration. The departments of the humanities and social sciences will continue to be housed in the old University building near the Kremlin. With these new facilities, the Moscow University will be able to admit 5,000 students a year. The new

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university skyscraper which dominates the Moscow landscape is a symbol of pride of Moscovites in the Communist régime. We may take it as an indication of the importance that the Soviet state pays to scientific research and education.

There is strong competition for the university graduates, and it is reported that heads of industrial and research organizations attend the final oral examination of the university students to assess the merits of the candidates and offer positions. The best students are encouraged to continue their scientific work for advanced degrees at the universities and research institutes. It is an established fact, though not widely recognized, that the Russians use women far more extensively than other countries in their industry, agriculture and professions; the number of women scientists in the U.S.S.R. is many times that in the United States, and the Soviet state has recognized that women seem to have aptitudes which fit them better than men for certain types of scientific research.

A clear picture emerges from these facts about Soviet scientific and technological education. A larger and larger group of Soviet citizens is being given a scientific and technical education. Moreover, to the best of our knowledge, the education is sound in most fields. A new Soviet intelligentsia is being groomed to discharge the many technological tasks necessary for the advancement of a modern state. Scientific instruments can be bought and delivered overnight, but several years are required to build a scientific laboratory or an industrial plant; scientific and technological manpower is a product of decades. There is ample evidence that the Communist Party and the Soviet Government are aware of this factor of time, and they are doing their utmost to build up a large pool of highly trained scientific and technical personnel.

Soviet science has its weaknesses also, as the fantastic story of the genetics controversy reveals. This is one of the greatest mistakes made by the Communist Party, and one that stems naturally from Communist ideology. Genetics, a science that has been developing rapidly during the last 40 years, deals with the way inherited characteristics of plants and animals are transmitted from one generation to another and also with the way the organisms change their inherited characteristics. We have learned in the last 30 years that inherited characteristics are transmitted through genes arranged in a definite order in chromosomes, which are thread-like materials often visible in the light microscope and

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particularly apparent in the electron microscope. A knowledge of heredity is important not only as a clue to the basic life processes but also has immediate practical applications, for example in the development of better live stock and crops of higher yield and viability. These are major considerations for a state like Russia, where food has never been plentiful.

In the years following the Revolution, the Soviet Union had one of the best schools of genetics in the world. Its dynamic leader was Nicholas Ivanovich Vavilov, a scientist who had studied in his youth in England, had travelled widely on plant-collecting expeditions and had many friends in Western scientific circles. Nicholas Vavilov was placed by Lenin at the head of the Institute of Genetics and of the Lenin Academy of Agricultural Sciences. Vavilov proceeded to organize genetics research on a sound scientific basis and to develop new strains for Soviet agriculture: his scientific reputation is attested by his inclusion among the 50 foreign scientists honored with a Foreign Membership by the Royal Society of London. For some unknown reason, Vavilov's relation with the government deteriorated. A new prophet of genetics, Trofim Lysenko, appeared on the Soviet scene and promised Russian agriculture fast results. His Marxist ideological verbiage and his highly questionable scientific methods and findings received the blessing of the Central Committee of the Communist Party. The full story of the struggle between the genetics science of Nicholas Vavilov and the pseudo-science of Trofim Lysenko is too long to present here, but we may note that in the end Nicholas Vavilov was displaced from his scientific posts and disappeared to an unknown death. Sergei Ivanovich Vavilov, the physicist, was a bystander in his brother's dramatic exit and, as the President of the U.S.S.R. Academy of Sciences, had the rather uncomfortable task of proscribing the friends and the disciples of his brother. In the Grand Soviet Encyclopaedia of which Sergei Vavilov was the chief editor there is no mention of Nicholas Vavilov. But though Lysenko triumphed, genetics died as a science in the Soviet-Union. Michurinism, a pseudo-science derived from Lysenko's theories, dominates Soviet agriculture. Time alone will tell how much the present woes of Soviet farming can be ascribed to the fatal decision of the Central Committee of the Communist Party in imposing its ideology on the genetics branch of science.

The Lysenko affair did not affect scientific and technological

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work that was obviously closely associated with the external security of the Soviet state. In the persons of Alexandrov, Kolmogorov, Khinchin and Pontriagin, Soviet mathematics has scholars of the highest caliber. Soviet physics is outstanding in the three main branches of nuclear work, low temperature investigations, and in studies of the solid state. Wechsler proposed a novel method of accelerating nuclear particles almost at the same time that McMillan did in this country. Cherenkov discovered a luminous effect of rapidly moving nuclear particles that bears his name and is studied extensively all over the world. Zavoiski, using modern radar methods, discovered electron paramagnetism in solids. The Soviet school of the chemistry of radioactive substances is of long standing. The Soviet physical chemist Semenov laid the theoretical foundations for the theory of explosions and nuclear processes. Soviet chemists seem to be concentrating their activity in the more technological fields of plastics, metal manufacture, insecticides, dyes and medicinals. Basic studies in the various branches of engineering are extensively reported in the Russian scientific journals. The geologists appear to be concentrating on exploration of the natural resources of the Soviet Union. Recently the various branches of the Academy and its institutes were called on to build canals, dams and irrigation systems as part of "the grand plan to transform nature" more recently whittled down in order to permit greater emphasis on consumer goods.

In short, we must not underrate the competence of Soviet scientists, nor ignore the fact that the Communist Party and the Soviet Government are spending large sums of money in building up laboratory facilities, encouraging scientific research and technical development and training personnel. This is a long-range program, successful completion of which will enhance the economic and military strength of the Soviet Union. The new leaders of Soviet science and engineering receive the best material comforts that the Soviet Union can offer. They will have increasing facilities for research and a large number of trained assistants. On the other hand, they will be wedded to an unsound philosophy of science which already has to its credit the death of the science of genetics in the Soviet Union; and the ideology of the Party may strike again. But in the meantime a strong and highly-organized system of science and technology is doing effective work.

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DEMOCRACY LIVES IN ITALY

By Randolfo Pacciardi

ITALY's last parliamentary elections on June 7, 1953, brought about an extremely involved situation. The law under which the elections were held provided for a premium allocation of seats to the coalition of parties polling in excess of 50 percent of the popular vote. In case no party or group of parties obtained an absolute majority, the allocation of seats was to be made—and in effect *was* made—through a proportional system, with limited corrections in favor of the major parties at the expense of the minor ones.

As a matter of record, the democratic coalition formed by the Christian Democratic, Social Democratic, Liberal and Republican Parties fell short by a few thousand votes (exactly 57,556) of obtaining an absolute majority. But 1,400,000 ballots were contested and are still under scrutiny by the special parliamentary election committee. This was because the Communist Party, through its representatives in the polling stations, brought forward the largest possible number of legal technicalities in order to contest the validity of the maximum number of ballots. The slightest trace of lipstick on the ballot of a woman voter, the absence of a mark next to the party symbol, even though the voter's preference was clearly shown in the name of the candidate he had inserted in the proper column, enabled Communist representatives to contest a great number of ballots and have these subtracted from the total of votes polled by the centrist coalition.

The Chamber of Deputies thus elected presented the following line-up of parties: Left-wing (Nenni) Socialists and Communists, 218; Centrist Democratic coalition, 304; Monarchist and Neo-Fascist extreme right, 68. The democratic coalition therefore still held an 18-vote majority over the combined opposition, even though it had failed to poll the 50.1 percent which would have entitled it under the law to a premium allocation of seats. In the Senate, too, the center parties had a slight edge.

After this electoral setback it was natural and understandable that the parties of the democratic coalition, especially the lay parties which had been allied with the Catholic Christian Democrats, should have experienced a crisis in their political thinking. Within these parties there were discussions and recriminations

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regarding the wisdom of the electoral law and the general advisability of lay parties concluding alliances with a clerical party. Most seriously affected was the left wing of the democratic coalition—the Social Democrats. They immediately denounced their agreement with the Christian Democratic Party and took up a strong leftist position. By so doing, they prevented for eight months the formation of a constitutional and democratic majority and the establishment of a democratic government.

What other solutions were available for providing Italy with an administration? There were two: either an agreement between the Christian Democrats and the extreme left—the Communists and left-wing Socialists; or an agreement between the Christian Democrats and the extreme right—the Monarchists and Neo-Fascists. But each of these two alternatives—the risks to democracy itself aside—would have split the Christian Democratic Party wide open. To avoid this, the Christian Democrats tried to form one-party minority cabinets. These cabinets, headed in turn by Alcide De Gasperi, Attilio Piccioni, Giuseppe Pella and Amintore Fanfani, fell one after the other. The succession of parliamentary crises and the seemingly inherent inability of Italy's democratic institutions to function normally, created the impression abroad that Italy was in the grip of a crisis of real magnitude. It was thought that the Communists were about to take over the government. Now it is true that there is a Communist menace in Italy, and it has become more acute in recent months. Even Moscow believes, perhaps, that a Communist triumph in Italy is possible. It may be more than coincidence that just at this time the Soviet Ambassador in Rome has been replaced by a man with a reputation of a very specific sort—Alexander Bogomolov, who was Ambassador in Prague in 1948 when the Communist coup was engineered from within the democratic coalition, ending the liberty of Czechoslovakia and leading to the suicide of Foreign Minister Jan Masaryk.

At present, the Italian Communists and their left-wing (Nenni) Socialist allies are at work in Italy to make sure that no government can be formed without their active participation. They are bent on forcing the Christian Democrats to come to an understanding with the extreme left. The Communists know that once they are in the government, be it even a coalition cabinet, they will be able to open the door to the Communist revolution from within. This danger may appear remote to those who

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are not aware of the strategy adopted by international Communism in its effort to seize power, and who sincerely believe that an agreement with the Communists is possible and would assure Italy a stable government dedicated to social reforms. There have been recent indications of this naïvete in the labor camp when democratic and Communist unions joined forces in the quest for higher wages. But the political significance of these incidents should not be overrated.

We have seen some similar examples in the Catholic camp. There is, for instance, Giorgio La Pira, Christian Democratic Mayor of Florence and widely known as the "lay saint," who expressed his solidarity with Communist workers when they forcibly occupied a foundry that was about to be shut down. But that was a human interest story more than a political development.

The strategy of the Communists in their attempts to seize power is clear. They usually develop their action in four stages. First stage: coalition government. Second stage: assault on free institutions from the advance positions in the government. Third stage: elimination of the opposition. Fourth stage: military and political domination by the Soviet Union without external aggression, *i.e.* without war.

When I was Minister of Defense I made this point on the floor of the Italian Chamber amid shouts and catcalls from the extreme left. I cited names and events which revealed the frightening uniformity of the Communist technique in all the countries that have been to all intents and purposes conquered by the Soviet Union. In 1945, Bulgaria had a "national front" government which included the Communists. In 1947, the leader of the peasants, Petkov, was arrested and hanged. The Socialist leader, Lucev, was jailed. Then Bulgaria concluded a pact of friendship, coöperation and "mutual assistance" with the Soviet Union which established Soviet control over the country. The same pattern was followed in Rumania. First stage: a national coöperation government under the Crown. Second stage: seizure of power from within. Third stage: arrest of the anti-Fascist Liberals Bratianu, Argetoianu, Tatarescu and Maniu, whose whereabouts are today unknown. Fourth stage: the usual treaty with the U.S.S.R. and the usual Soviet domination. In Hungary the same procedure applied, leading to the elimination of political and religious opposition. There the usual treaty was followed by the appointment of a Soviet general of Hungarian origin to head

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the armed forces of the nation. In Poland the picture did not change: after the habitual four-stage course of action came the nomination of a Soviet general of Polish origin to head the Polish armed forces. In Czechoslovakia it was the same story: first, a coalition government, followed by the Communist seizure of power, the elimination of anti-Fascist democratic patriots and the establishment of Soviet domination.

Bogomolov was in Italy when the Armistice Commission, representing the American and British Governments, asked the government of Marshal Badoglio to allow the entire Italian Communist high command, headed by Palmiro Togliatti, to return home. This was a master stroke. Russia was not directly represented in the Allied Military Government. But with Togliatti back in Italy, it was now directly represented in the *Italian* Government! Togliatti had pledged his support to the Badoglio Cabinet and kept his pledge dangling over the Premier's head like a hangman holding the noose over his victim. When the American forces reached Rome, Badoglio disappeared. But Togliatti remained. It was at this time that the Allied Military Government denied me authorization to return to Italy because I refused to sign a pledge of coöperation with the Badoglio Government.

The Soviet strategy in Italy was halted at the first stage (formation of a coalition government of all parties, including the Communist) because the Christian Democrats succeeded in ousting the Communists from the government before they could go on to the second. Then, on April 18, 1948, the Christian Democrats won the parliamentary elections. From that day to the present, the Communists and their allies have had but one objective—to get back into the government. And now, at this critical moment for Italian constitutional democracy, there arrives in Rome as Soviet Ambassador none other than Mr. Bogomolov, who was so successful in his dealings with Badoglio in Salerno and with Masaryk in Prague.

This Communist and Soviet strategy has by now, however, become familiar to all the Italian democratic parties. I told Togliatti myself during the last parliamentary debate on the Fanfani Cabinet that if the "Communist revolution" wants to succeed in Italy it can no longer avoid risking something. Nobody in his right mind will open the back door of the Italian Government to the Communists. Even if we should remain without a government for four years, there will never again in Italy be a coalition

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government with the Communists. In our country the Communists will have to devise some other method of seizing power.

Recently, the Social Democrats, after giving much thought to the situation, have made it possible for Premier Mario Scelba to form a government, just as the Christian Democrats made this possible through substantial concessions to the lay parties. If even the Scelba Cabinet should fail, we could still fall back on a Government of Public Safety to prepare new general elections. Italy's democratic forces are far from dead and far from spineless. And the Communists themselves are well aware that the bulk of the Communist vote is made up of the disgruntled, the dissatisfied and the poor and that it does not signify an endorsement of Communist revolution and dictatorship.

I believe that it would not be impossible to bring about a complete change in the psychological attitude of the Italian nation if a government—it might well be the Scelba Government—made an all-out effort to eliminate unemployment and mitigate poverty. This effort, in order to succeed, must impose the necessary sacrifices on the wealthy and introduce a life of austerity. This is indispensable as an economic measure but even more as a moral factor in a country where hundreds of thousands are homeless and millions are insufficiently fed. At the same time, such a government must uphold the authority of state institutions and the integrity of the law with uncompromising and vigorous determination.

I have been asked what the United States could do to facilitate the task of the Italian democratic parties and of Italian democratic coalition governments. An American policy, which, without interfering directly in Italian affairs, attempted to ease the current depressed mood in my country, should, I believe, move along the following lines:

1. It should give Italy greater authority within the Atlantic Community. We have made a substantial military effort during the past five years and have the strongest armed forces on the European continent. Yet the Atlantic Pact Standing Group has remained confined to three Powers since the beginning of NATO.

2. It should be instrumental in extending the Atlantic Pact from a purely military community to an economic community.

3. It should help solve the problem of the Italian frontiers. American and British prestige has suffered a severe blow in Italian public opinion following the recent events in Trieste. Twice

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solemn Western declarations have been issued, but no action has been taken. The statement of October 8, 1953, announcing the Anglo-American decision to withdraw from Zone A of the Free Territory of Trieste and to turn over its military and civil administration to Italy, came to the same end as the Anglo-Franco-American Declaration of 1948 advocating the return of the entire Free Territory to Italy. A threatening gesture on the part of Marshal Tito was enough to prevent the Allies from keeping their word. A demonstration of Trieste youngsters was smothered in blood the way riots are suppressed in colonial countries (in England, remember, the police never use firearms). The United States declared its solidarity with General Sir John Winterton, the British Zone Commander. This, in addition, is a policy which gives comfort to the Communists.

4. Very little has been done to help us solve our emigration problem. Two hundred thousand young workers are added every year to our labor force. Young graduates from our universities face the specter of unemployment because the professions—law, medicine, engineering—offer no openings. Thousands of young lawyers compete for low-paid jobs and risk remaining dissatisfied and humiliated all their lives.

Italy has the duty of ratifying the European Defense Community treaty and of coöperating in the creation of the European Political Community. We shall certainly do so, now that the Berlin Conference is over. There does exist in the present Parliament a majority which is determined to ratify the E.D.C. treaty as the first step towards the establishment of the European political community, but as long as the German problem was under discussion in Berlin neither France nor Italy could take action.

I personally believe that it would be easier to obtain parliamentary ratification of E.D.C. in Italy if the six countries of the European community endorsed the pledge contained in the Anglo-American Declaration of October 8, 1953, awarding Italy control over Zone A of the Free Territory of Trieste. The problem of our border would thus become a European question to be solved as time goes on without causing again in Italy the disappointments and apprehensions that have loomed so prominently in recent months. But Trieste aside, if America really wants to help us she can do so. She can help us above all by saving our young people from being forced, in despair, into extreme positions which defy reason and common sense.

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THE NEW REIGN IN SA'UDI ARABIA

By H. St.J. B. Philby

THE death of King 'Abdul-'Aziz ibn Sa'ud on November 9, 1953, just a fortnight before his seventy-third birthday, closed a great chapter in the history of the Arabian peninsula: certainly its greatest since the days when the Prophet Mohammed and his successors spread the fame of Arabia through the world with the book and sword of Islam, and created an empire of which the desert homeland of the Arabs soon became an insignificant province. Such it remained for a millennium until the Islamic renaissance of Shaikh Muhammad ibn 'Abdul-Wahhab in the middle of the eighteenth century laid the foundation of a new dispensation in Arabia, which has flowered in our own time in what may fairly be called a golden age of peace, piety and prosperity. The like of it will never be seen again. Already during the last years of the aging monarch, wearied by the great burden he had carried so long, the spiritual impetus which had carried him to the summit of his achievement was seen to be weakening under strange influences, hitherto rigidly excluded from his country. A process of securalization was setting in, on which there can now be no going back; and wealth has hastened a moral and material transformation, which none could have believed possible but 20 years ago. The new wine has been poured into the old bottles with consequences on which only the future can pass judgment.

The old King's great achievement was the establishment of peace and security in a country which had never known such blessings before. It was no easy task; and in years gone by few people believed that it would outlast his lifetime. Yet it was so solidly done that, despite the pessimistic prophets who preached the probability of serious trouble over the succession on his demise, the accession of the new King took place in an atmosphere of calm and goodwill. There could have been no greater tribute to the achievement of a very great man, but it was more than that. The many thousands of telegrams and letters received by the new King, to say nothing of the people and deputations which visited him in person, were a measure both of the respect and admiration inspired by the late monarch and of the hope that his son would maintain the high standard of service which he has inherited.

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That the new King will achieve the greatness of his predecessor is scarcely to be expected. The circumstances of the world of today offer few chances of achievement on such an heroic scale. But there are problems enough, in all conscience, to be faced by the new régime, which will demand the highest degree of skill and wisdom on the part of the ruler, if the heritage for which he is now responsible is to be handed on intact and strengthened to the generations yet to come. And we need not doubt for a moment that this task will be approached with a full sense of responsibility and determination to serve his people by King Sa'ud, the fourth of his name to rule in Arabia as an absolute monarch since the dynasty was founded in the first quarter of the eighteenth century by Sa'ud I, his great-great-great-great-great-grandfather.

Coming to the throne in his fifty-second year (for he was born on the day of his father's capture of Riyadh in January 1902), he has the great advantage of considerable experience in the arts of war and peace. His military career began with the campaign which added Haïl to the realm of his father in 1921. It included the Sibila campaign against the rebellious Ikhwan of Faisal al Duwish in 1929–30; and in 1934 he commanded the desert army in the short and triumphant war against the Yemen. His administrative record dates effectively from 1933, when he was formally nominated as the heir to the throne, and since when he has been his father's right-hand man in the administration of the vast territories of Najd. He has also deputized on many occasions for his father in the conduct of the pilgrimage and in the general supervision of the affairs of the Hejaz, of which his brother Faisal was viceroy in addition to his duties as Minister of Foreign Affairs. And it is of happy augury that this same brother, already nominated as the new heir to the throne, will be able to serve the new King, as they both served their distinguished father. Both of them are widely travelled, and come to their tasks with considerable experience of the world and with a progressive outlook which needs only tempering to the economic and financial realities of their country to ensure a long period of prosperity.

The execution of the functions of a Crown Prince was by no means an easy matter under the régime of a monarch so dominant as the late King, who was always so conscious of his personal responsibility for the common weal that he could never

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bring himself to make any real delegation of authority, even to those whose loyalty he could trust absolutely. But little by little Sa'ud established himself in a commanding position in the direction of the country's affairs, particularly after his long visit to America soon after the war, which greatly developed his moral and intellectual stature. And when the King's own physical and mental powers began to fail, as they certainly did during the last few years of his life, Sa'ud assumed more and more effectively the active direction of the day-to-day administration on his father's behalf: this *de facto* situation being regularized during the last weeks of the King's life by the issue, with the latter's approval, of a royal decree establishing, for the first time in his long reign, a Council of Ministers responsible to him for the governance of the country. The Crown Prince, who had previously been appointed Commander-in-Chief of the armed forces of the realm, now became Prime Minister as well, with his brother, the Amir Faisal, as Deputy Prime Minister and Minister for Foreign Affairs.

This rather vaguely-constituted body had scarcely had time to come into effective operation when the death of the King and the proclamation of his successor in the traditional manner invested Sa'ud with supreme responsibility for the government of the kingdom. And since then, while the Council of Ministers appears to have continued in being, there has been no public record of its activities; such decrees as have been issued during the new reign have been in the King's own name, while in one or two cases the execution of his will has been specifically delegated to the Deputy Prime Minister: mainly in connection with the installation of the King's nominees in the various Cabinet posts for which they have been designated. In effect, the post of Prime Minister is in abeyance; or, in the alternative, the King is his own Prime Minister. As all decisions of the Cabinet must be in the form of recommendations for the King's consideration and orders, it is obvious that all proposals presented by the Prime Minister on behalf of the Cabinet will receive the royal approval. In actual fact, however, the old system of absolute personal rule would seem to have been restored unobtrusively, and it is open to the King at his own absolute discretion to seek or accept advice, or to dispense with such a preliminary to action. He has thus taken upon himself a heavy burden, which had proved too much for his great father; and it remains to be seen whether in

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due course he will find it necessary or advisable to delegate some part of it to other shoulders, and, if so, what arrangements he will make to ensure the smooth functioning of the administrative machine on which the welfare of the state depends.

It is only in that field that King Sa'ud can make a substantial personal contribution to the consolidation and development of his father's great achievement. With internal peace and security fully established throughout the realm, and reasonably assured against all the vicissitudes of fate, the financial resources of the state are, and are likely to remain indefinitely, sufficient to ensure all the needs of good government and the steady development of public services essential to the progress and prosperity of the people as a whole.

II

The King starts with an advantage which his father, preoccupied with other matters and perhaps too trustful of his subordinates, never enjoyed: personal knowledge and experience of the grave defects which have developed in the administrative machinery of the country owing to the lack of skilled workers and, let it be said frankly, a regrettably low standard of responsibility and altruism in an official hierarchy recruited without system from the flotsam and jetsam of such intelligentsia as the Arab world has been able to provide for Sa'udi Arabia in the time of its greatest need. The very fact that so many officials of the government, starting from nothing, have now become very wealthy men speaks for itself. And it is not without significance that the two Arab countries which have provided the bulk of the recruits to the Sa'udi administration have themselves in recent years been seeking by revolution, happily in both cases peaceful and virtually bloodless, to root out the weeds of corruption, dishonesty and inefficiency which had so long disgraced them in the eyes of the world—conditions which could no longer be ignored when they led to the defeat of the Arab armies in the struggle over Palestine.

It is idle to expect good results from bad principles. And it is not difficult to diagnose the basic error of the Sa'udi system from the moment when the simple methods of the old Wahhabi régime had to be adjusted to the more complicated administrative needs of an increasingly cosmopolitan state. It is an accepted principle of modern "civilized" countries that no man shall simultaneously

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hold public office and concern himself with the commercial interests of any other body. But this principle has never been valid in Sa'udi Arabia, with the result that not only have the local merchants of the country been allowed to take an active part in the direction of its affairs as officials, but individuals recruited specifically for the public service have found no let nor hindrance in the development of personal commercial interests for the improvement of their own economic status. Efficiency, let alone honesty and altruism, cannot be expected from such a system, under which every contract or purchase made on behalf of the government is inevitably scrutinized not on the merits of the tenders under consideration but from the private point of view of officials interested as potential recipients of commissions from the successful tenderers. King Sa'ud knows very well the defects and shortcomings of such a system, which he can change to his own and his country's advantage if he should wish to do so. But he can be under no illusion as regards the opposition, vigorous though perhaps surreptitious, with which any scheme of reform will meet at the hands of vested interests which have entrenched themselves so strongly in the administration during the decade of prosperity which coincided with the progressive weakening of the late King's capacity to direct the affairs of the nation. General Naguib and President Shishakli have shown in Egypt and Lebanon how such opposition can be dealt with. The absolute monarchy of Sa'udi Arabia should not find the task of countering the activities of evildoers beyond its power, if the record of its dealings with the lawless and turbulent Badawin during the early decades of this century is any criterion of its capacity to rule. The new challenge to authority is essentially the same as that which was met so successfully by the old King in the old days, though the tactics employed are more "civilized." The wolf has taken to sheep's clothing. He has not grown less rapacious.

In some ways the problem confronting King Sa'ud is far more complicated and difficult than the crushing of Badawin intransigence, though the latter task could never have been accomplished by his father but for the extraordinary blend of political acumen and moral force by which he acquired a legendary reputation in his lifetime. With the weapon of faith alone (for he never enjoyed the advantage of any material resources during the great years of his career) he cured the Badawin of their congenital wickedness before bringing them into the fold of an or-

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dered society. The same problem, *mutatis mutandis,* confronts his son, who has all the wealth of Araby at his command but no longer the magic sword of him who led "Wahab's rebel horde . . . on its path of blood along the west." The victories of peace, as other people have found before him and still find, are more elusive than those of war; but it is on them, and them alone in the absence of enemies to conquer, that the new reign in Arabia will be judged by her contemporaries and by history. And all depends on the will of an absolute monarch, and his capacity to impose it on his servants and his people.

It is not difficult to suggest various quite simple measures of reform which would have the effect of restoring a measure of stability to the administration of Sa'udi Arabia, whose reputation in the world has suffered seriously from the extravagance and corruption of recent years. No one will challenge the general principle that corruption, where it is found to exist, must be stamped out with a firm and ruthless hand. But the administrative system of the country often makes it difficult to determine the line which separates criminal dishonesty from enlightened self-interest in the public service. It is, for instance, by no means impossible that an official responsible for the awarding of a contract or the sanctioning of a purchase on behalf of the government might honestly decide the matter in favor of a company or firm in which he is interested as a proprietor or shareholder or office-holder: and so secure a contingent benefit for himself while acting in the best interests of the state. And in point of fact there are few officials in the country who have not an interest, by way of commission or otherwise, in one or another of the numerous companies, of many nationalities, which nowadays compete for the contracts or orders offered by the Sa'udi Arabian Government.

Dishonest officials obviously profit by such a situation; but honest officials should never be placed in such a quandary, where their self-interest is in direct competition with their loyalty. The practice in most "civilized" countries is to preclude all government officials from engaging in any form of commercial activity; and the establishment of such a practice in Sa'udi Arabia would be all to the good. Its natural corollary would be the denial of administrative office to any person whose normal profession and means of livelihood derive from commerce or industry in any form. And another grave defect of the present system arises out

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of the very natural tendency of high-ranking officials to recruit the departmental personnel connected with their work from their own families and their friends: thus creating a sort of "masonic" group inspired by an internal loyalty overriding the greater loyalty due to the monarch or the state.

The very fact that the adoption of the reforms envisaged as necessary to cure these three major weaknesses of the Sa'udi administration would, at least temporarily, throw the whole administration out of gear is the true measure of the urgent need for the introduction of such changes without delay, if only to prevent the crystallization of glaring defects. And another point of similar type and perhaps greater importance arises out of a tendency, already observable in the last few years of the late reign, to appoint members of the royal family to administrative posts for which they have no particular aptitude or training and in which, while themselves immune to criticism by reason of their high rank in a country which is nothing if not royalist to the core, their errors of judgment or inexperience may bring discredit on the régime. It was indeed widely believed at the inception of the present reign that King Sa'ud intended to abolish this system in favor of the creation of a Council of Princes to advise him at headquarters, and to place the various departments in the hands of officials or Ministers with appropriate experience. But no such development has in fact materialized; and of the five high-ranking appointments publicly announced by His Majesty so far, two Ministries (of Education and Agriculture) have gone to princes, while two distinguished individuals, whose primary interests are commercial, have been nominated Ministers of State (with important financial and economic functions to discharge). The fifth, an ecclesiastical appointment, confirming the *de facto* control of all religious matters, including religious education, by the distinguished Chief Mufti of Riyadh, is quite unexceptionable. Whether princes should engage in commerce or not is perhaps a moot point, and there can be no valid "democratic" objection to their doing so. But when they are also Ministers in charge of Departments of State, their engagement in such activities is obviously open to the same criticism that may justly be raised in the case of their Commoner colleagues.

So much for the more or less personal aspect of the whole problem of corruption in its various forms. But there are some principles of sound financial administration which have so far been

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observed more in the breach than the observance. During the past decade, for instance, the year's budget has only thrice been published for general information; and in none of the three cases have the published figures (rising from a total estimated revenue of £25,000,000 in 1947 to £100,000,000 last year) given the public any real idea of how the income of the country has been laid out for its benefit. They were perhaps not meant to do so; and in any case it would have been of more interest to the people and to the world at large if the actual accounts of any year were subjected to a really independent audit and published with an auditor's certificate of their correctness. This would be a very easy reform to introduce at once; and, as the budget for each year is presumably submitted for the approval of the King, an auditor's report on the manner of its translation into action would be of the utmost importance to His Majesty himself, who has otherwise no check on the acts and omissions of his Ministers. Technically at least, the whole income of the state is the personal property of the King of Sa'udi Arabia, who may well regard it as being in trust with him for the benefit of his subjects. But he at least can have no possible interest in the malversation or misappropriation of the public funds for the benefit of dishonest people, whose activities give the country a bad name, dissipate the country's resources, and may fairly be regarded as treasonable in that the people concerned surreptitiously arrogate to themselves executive powers to which they are not entitled. This aspect of the matter could be illustrated with scores of instances (*e.g.* the withholding of the salaries of minor personnel of the government, the issuing of driving licenses to quite incompetent applicants, the issuing of rations of inferior quality or in short measure to those entitled to receive them, and so forth). But perhaps enough has been said on the general subject of corruption, which constitutes the principal administrative problem facing the new régime of King Sa'ud with an urgency of which many in high places seem to be unaware.

III

Since these officials are in large measure representative of populations beyond the limits of Sa'udi Arabia, and are themselves more than satisfied with their extremely lucrative employment and prospects, their attention tends to be focussed on the political and international problems now agitating the Arab world as

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a whole, and only rather incidentally on Sa'udi Arabia—an increasingly important unit of that world owing to its rapidly mounting economic resources. In the main the problems demanding the attention of King Sa'ud and his régime are relatively simple, and only indirectly impinge on the interests of the country. There is therefore not likely to be any striking departure from the general lines of policy laid down by the late King. That policy involved the loyal acceptance of the Arab League as the authorized interpreter of Arab wishes and interests vis-à-vis the outer world; the recognition of the United Nations as a suitable arena for the presentation and argument of the Arab cause wherever that impinged on the vested or other interests of non-Arab or non-Moslem states, especially the colonial, or imperialistic, Powers; and generally the maintenance of friendly relations, as far as possible, with all countries of the world, although the Sa'udi Government itself is not, and apparently does not seek or wish to be, in diplomatic relations with countries of the Iron Curtain bloc.

In such matters as Palestine, the Canal Zone dispute, the Sudan, the French North African dependencies, etc., it would seem likely that the hitherto somewhat platonic attitude of the Sa'udi régime will change in the direction of more positive support of the policy of the Arab League. In some cases this has already taken place, in that Sa'udi Arabia is making important financial contributions to the strengthening of Jordan as a bulwark against Israeli aggression, while its representatives have pledged support in Egypt's quarrel with Britain over the Canal base, and the Yemen's complaint of British aggression on her borders.

By implication it seems likely that there will be no great enthusiasm in Sa'udi Arabia for the arrangements envisaged by the Western Powers for the defense of the Middle East, though this is probably due to the existence of its own long-standing arrangements with the United States for the military reorganization of the country, involving mutually satisfactory commitments in respect of the development and administration of certain air bases. This situation, coupled with the obvious interest of America in the exploitation and safeguarding of the oil resources of the country may well be regarded as sufficient, and indeed the best possible, insurance of the realm against such trouble as may arise. On the other hand the recently revived project of the Iraq Government for the federation of the Arab states is not likely to be

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regarded with much favor in Sa'udi Arabia, or indeed in other quarters of the Arab League, which would seem already to have consigned the proposal to the oblivion of a pigeonhole with its courteous resolution to circulate the papers for the consideration of the governments concerned. In Sa'udi circles the scheme may well be regarded as reflecting the well-known ambition of Iraq to absorb Jordan and so to dominate the landbridge between the Mediterranean and the Persian Gulf: incidentally isolating Sa'udi Arabia and the whole of peninsular Arabia from the rest of the world. The Egyptian alternative of a military alliance of the Arab states under Egyptian leadership for the defense of the Arab world by the Arabs themselves would seem to be much less objectionable, though it does involve the consideration of an important point on which there is likely to be some difference of opinion among the Arab states.

That point is the question of Arab neutrality toward the actual or likely conflicts of the world at large. In its present form it has arisen directly from the continuing deadlock in Anglo-Egyptian relations; and General Naguib's advocacy of a declaration of neutrality as a riposte to British intransigence does not yet seem to have aroused much enthusiasm among his neighbors. But the question is nonetheless one which should perhaps have been considered seriously on its merits in a more general context, as India has done long since with decidedly satisfactory results in the great extension of her influence in world politics. It is not likely that Iraq and Jordan, with their still strongly-British associations, will give the idea any support. But elsewhere in the Arab world the existence of numerous points of conflict with the Western Powers cannot but give force to the argument that the withholding of coöperation with those Powers in their quarrel with the Communist bloc is the only way of forcing them to respect, or concede, the complete independence claimed by all elements of the Arab world. If Egypt is now in the forefront of the movement in her efforts to eject the British troops from her soil, the North African dependencies of France have no earthly hope of gaining their independence except by complete non-coöperation with the suzerain Power. And both Sa'udi Arabia and the Yemen are in actual conflict with Britain at points where her forward policy is creating suspicion of the approach of a new wave of imperialism. Syria and the Lebanon are fortunate in having no points of contact, or therefore conflict, with any Western Power,

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though it scarcely seems likely that they would welcome Western military bases in their territories.

The Arabs may be supersensitive; but it can scarcely be denied that, by and large, they have a very strong case against the Western Powers, and for the adoption of a neutral attitude in world politics. And so far as Sa'udi Arabia is concerned, her attitude cannot but be influenced by the course of the present controversy with Britain over the oasis of Buraimi. The studied silence of the British Government over this matter of a cold war with Sa'udi Arabia, now nearly two years old in its active form, seems to provide the measure of her sensitiveness to criticism of her activities, neither edifying nor justifiable, in an area into which she has never had the slightest right to intrude. Much less has she had the right to intrude with all the paraphernalia of modern militarism and an army of formidable though not exactly known strength to besiege a tiny desert village, held by a tiny garrison, which has been the headquarters of the Sa'udi administration of its Oman province for 200 years. That the King, like his late father, and his government, feel very bitterly about this quite uncalled for aggression by an old friend admits of no doubt. And, in such circumstances, it is not unnatural that such bitterness should be translated into general support of other countries with similar grievances against British imperialism. Curiously enough this matter of Buraimi has not been taken to the Arab League for consideration, much less to the Security Council or the United Nations Assembly; but the only reason for such restraint on the part of the Sa'udi Government is that it hopes, with infinite patience, to induce a change of heart in Whitehall.

Meanwhile Sa'udi Arabia must be counted among the Arab countries with specific grievances against Western imperialism, whose votes may well be cast in despair against any further cooperation with the Western Powers in their struggle for world hegemony with the Soviet Empire. The ideology of the Soviet Union is fundamentally distasteful to the Arabs, though it has made some ground already, and is likely to make more, with the progressive industrialization and secularization of their lands. But they have no earthly cause of quarrel with Russia or her satellites, as indeed they had none with Germany or Japan; and experience of two world wars has taught them to expect vicarious benefits from the quarrels of the great. A third world war might

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well complete the process of emancipation, which is the main political objective of all Arab communities without any exception.

Britain and France would do well to understand this simple fact, as there can be little doubt that both of them have already lost much of their influence and popularity in the Middle East. In the main, America has replaced them with her immense economic prestige and financial solidarity, which have so far on the whole been used with a studious avoidance of anything in the nature of old-fashioned imperialism. But in some respects, which are perhaps less obvious in Sa'udi Arabia than in other parts of the Middle East (Egypt and Persia for instance), the trimming of American policy to the sensibilities of some of her Western allies has disappointed the Arabs. And in Sa'udi Arabia the recent marked infiltration of German economic and industrial interests must be regarded as something of a makeweight against American dominance, which is still very great in the land. A general tendency is already making itself visible in Arab counsels to work towards a greater self-reliance and self-sufficiency in the Arab world, to the exclusion of foreigners. This is obviously a long-range policy, intended to reinterpret the old xenophobia of the desert in terms of economics. It seems to be in general line with the modern tendency, much more common than might be supposed, to emphasize the elements of separatism in a world drawn ever closer together by mechanical developments, which man has been able to devise, against the theoretical advantages of unity or interdependence.

The goodwill and coöperation of the Arabs can be had only on the basis of the recognition of their complete independence. Sa'udi Arabia herself has no complaint on that score, except in the matter of minor encroachments on her preserves, as at Buraimi; but it would seem more than likely that the late King's policy of friendship with Britain as the cornerstone of his foreign policy will gradually be adjusted to the strains of a new dispensation, under which the economic importance of America (and possibly Germany in due course) and the political aspirations of the Arab world will tend to dominate the counsels of the new régime in Sa'udi Arabia. Such a development, in itself, is not open to criticism; and it would certainly relieve the administration of any direct responsibility for major decisions in the foreign field in respect of matters which can scarcely be regarded as concerning

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Sa'udi Arabia otherwise than vicariously. There is indeed much to be said for that part of the Iraqi proposal for federation which postulates a coördinated foreign policy for the Arab world as a whole and its representation in the various foreign capitals by a single diplomatic representative with joint credentials. The political advantages and the financial savings deriving from such an arrangement would be very considerable.

But, from the point of view of Sa'udi Arabia, the absence of serious international preoccupations should enable the administration to concentrate the whole of its attention on urgently needed domestic reforms. It has all the resources needed for the creation of an ideal state, of which indeed the foundations were well and truly laid by 'Abdul-'Aziz ibn Sa'ud some 20 years ago, though they have been severely tested in recent years by two totally unexpected factors. The sudden flood of fabulous wealth, and the complete reorientation of the outlook of a once excessively exclusive society, have brought much good in their train; but, like the great torrents which from time to time sweep down the valleys of the desert, they have wrought much damage which must be repaired, if the work of the late King is to be preserved for the benefit of his people. And in that task the good wishes of the world go out to King Sa'ud ibn Sa'ud in the confident hope that he will prove a worthy successor of his great father.

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THE TARIFF IN TRANSITION

By Percy W. Bidwell

IN June of this year Congress will have to decide whether or not to extend the President's power to reduce tariffs through reciprocal agreements with foreign countries. When this question came up in June 1953, low-tariff and high-tariff forces fought to a draw. The Act was extended for one year only, pending a study of the whole area of foreign economic policy by the Randall Commission. The Commission's realistic report, submitted in January, has set the stage for a struggle which will probably exceed in bitterness and in duration any similar contest since the days of Hawley and Smoot. In concrete terms the question is this: Will the Eisenhower Administration continue the low-tariff policy begun by Franklin D. Roosevelt and Cordell Hull 20 years ago, or will it revert to the highly protective policy with which the Republican Party has traditionally been associated?

During the war and early postwar years the tariff issue practically disappeared from the arena of public discussion. In 1945 the extension of the Trade Agreements Act aroused almost no debate in Congress. At that time, remarked a protectionist spokesman, it would have made no difference if we had had no tariff at all. Competitive imports were at low ebb, and domestic producers had more than they could do to meet the huge military and civilian demand. But changed political and economic conditions have now revived the tariff issue and introduced new considerations into the well-worn grooves of discussion. Also, the discussion has become more realistic. People are asking, what does the tariff actually mean to American industry? What are the real dimensions of the problem? What domestic industries, if any, have been injured by 20 years of tariff reduction? What industries might be injured if duties were further reduced? What are the possibilities of minimizing the injury and facilitating adjustment to the new competitive situation? It is on answers to questions like these that Congressional action will largely depend.

Secretary Acheson and his advisers, and more recently Secretary Dulles for the new Administration, in their appearances before Congressional committees, have repeatedly advocated a more liberal attitude in our economic relations with countries

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in the free world. The United States, they have argued, is a rich, powerful nation, but not, without great sacrifices, strong or rich enough to oppose single-handed the forces which our principal adversary, the Soviet Union, can marshal against us. To strengthen our European allies and keep their loyalty, we must admit their products more freely to our markets. We must have access to the raw materials of the underdeveloped countries of Southeast Asia, the Middle East, Africa and Latin America. Our policies with respect to tariffs, investments, air transport and shipping can make or break good relations with countries in the free world.

These views have found increasing support in certain sections of public opinion, among trade unions, civic organizations and business groups. But in Congress proposals to reduce tariffs still meet with strong opposition from Senators and Representatives of both parties for whom the tariff is still a local issue. The concern of Congressmen with the impact of imports on particular industries has real justification; it deserves more attention than it has received from advocates of tariff reform. For certainly no policy which injures, or destroys, a wide range of local industries can adequately protect the national interest. But for constructive legislation we need much more specific information than is now available about present-day competition of imports with domestic products, and we need to discriminate between short-run and long-run situations.

Today the American tariff problem is really three problems; three broad groups of dutiable commodities require separate consideration: 1, farm products; 2, commodities essential to national defense, principally the so-called strategic raw materials; and 3, factory products.

II. TARIFFS ON FARM PRODUCTS

Tariffs on farm products present a difficult case because of the conflict between tariff reduction and farm policy. The present goal of that policy is to guarantee farmers a certain measure of prosperity and security while retaining them in their present occupations. But price supports, the principal method whereby the goal is to be attained, have raised the domestic prices of wheat, cotton, corn, tobacco and other commodities above the world market. As long as this disparity continues it doesn't make sense to allow free imports of those commodities from abroad.

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To do so would saddle the U. S. Treasury with the impossible task of holding up the level of prices in Canada, Mexico and all over the world, wherever farm products are available at costs which would permit shipment to this country.

The past 20 years have brought revolutionary changes in the techniques of agriculture which, had they been allowed to work out their effects unhampered by government intervention, would have reduced substantially the labor requirements on farms and the proportion of the population engaged in agriculture. Changes in the relative amounts of capital and labor invested in various farm enterprises would have brought about a better balance within the industry itself. Price-support policies have prevented these adjustments.

A new policy which frankly recognizes the existence of a surplus labor force in the American agricultural industry might bring about a gradual transfer of labor and capital, now marginally employed, into more efficient lines of production. During the transition, which might be a long one, farm incomes could be maintained by direct payments from the federal treasury, in place of price supports. With price supports removed, the gap between domestic and world prices of farm products would tend to disappear. The way would then be cleared for a gradual reduction of agricultural tariffs. Predominant farm opinion, however, is at present opposed to replacing parity payments with subsidies, and until this opinion can be modified it seems impracticable to talk about reducing agricultural tariffs.

III. TARIFFS ON STRATEGIC RAW MATERIALS

Our domestic outputs of oil, lead, zinc, copper, manganese and certain other minerals essential to national defense are not adequate for our needs. Whether or not we admit foreign products in this class more freely will be largely dependent on considerations of national security. On economic grounds a protective tariff on minerals is hard to justify. The infant industry argument does not apply, for a mine from the beginning is an aging industry with wasting capital assets. It is true that certain American producers operate at high costs which make it impossible for them to meet unrestricted foreign competition. But their principal handicaps are in the order of nature: narrow veins, refractory ores, bad location with respect to markets. Tariff protection cannot remove these disadvantages.

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Present tariff policy is fairly liberal with respect to minerals. Many of them are on the free list; the others bear either low or moderate rates of duty. This policy tends to concentrate domestic production in low-cost mines whose output is far from adequate even for our peacetime requirements. In wartime we should have to rely on our stockpiles and on imports from low-cost sources of supply in relatively safe areas. In short, we are not basing our security on national self-sufficiency in strategic minerals but on a foreign policy that will guarantee access to the resources of Canada, Mexico and other Latin American countries, and Africa, and on the maintenance of a navy and merchant marine adequate to bring these raw material resources to our shores.

IV. TARIFFS ON FACTORY PRODUCTS

Defense considerations also enter the discussion of the tariff on factory products. It is axiomatic that the primary aim of our commercial policy should be to serve the national interests. Among those interests national security at present has top priority. It follows that if certain industries are actually essential to national defense they should be safeguarded, no matter what the cost. On this everyone agrees. But at this point agreement ends and controversy begins. What industries are "essential" and how do you safeguard them?

Low-tariff men tend to narrow the definition, limiting it to those items which are critical in wartime and which domestic producers, with moderate tariff protection, cannot adequately supply even in peacetime. Another criterion is that in an emergency the supply of these items could not be readily expanded. Protectionists interpret "essential" broadly, including thereunder not only such non-controversial items as optical goods and scientific instruments but also a great variety of manufactures supplied to the armed forces. The pottery industry has claimed to be essential because in the last war it supplied ceramic land mines, and the makers of knit gloves contend that without their product no army could fight a war in winter.

On the proper method of safeguarding essential industries the spread of opinion is equally wide. The protectionist formula is to keep them in a healthy condition by restricting, or excluding, competing imports. Tariff reformers object that most of the manufactured products that could reasonably be considered

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"essential" are regularly used by civilians in their peacetime pursuits. An import duty high enough to free domestic manufacturers from the pressure of foreign competition would impose an unwarranted burden on consumers. It would be more economical to support the domestic producers by subsidies paid to them directly out of the federal treasury. If the American makers of optical instruments cannot compete with the Japanese and the Germans, let the government pay them annually an amount necessary to keep them in business. By this method the taxpayer would know the exact cost of maintaining essential industries, a fact concealed by the tariff. Moreover, American consumers, colleges and hospitals, research institutions, practising physicians and high school and college laboratories could purchase duty-free microscopes and other scientific equipment at much lower prices.

The bulk of American factory products cannot be included, even by broad interpretation, in the strategic category. With respect to them the decision whether import duties should be raised, or lowered, or kept as they are will depend in part on economic considerations, on estimates of the ability of domestic producers to stand up to foreign competition. But psychological factors will strongly affect popular attitudes, for among certain elements in our population the tariff is an institution sanctified by tradition.

A generation ago no sane person would have ventured to predict that it would be politically possible to cut import duties in half within the space of 20 years, or that such drastic reversal of commercial policy could take place without triggering an economic depression. Yet both these things have happened. The tariff was reduced, and the reduction did not destroy American industry. National income, employment, wages and prices did not fall; instead, in 1954 they are all above 1934 levels.

But these facts obviously are not conclusive. Protectionists rightly object that 1934 to 1953 was an unusual period in our economic history. Our experience with the Hull program is like that with the Underwood Tariff of 1913; in both cases wars prevented a test of what low tariffs might accomplish in a normal period. From 1939 to 1945 World War II reduced production for civilian use in the principal competing countries and cut off their exports. Postwar recovery was so slow that for several years after the surrender British, French and Italian manufacturers, as well as German and Japanese, were unable to take advantage

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of our lowered import duties. During this period, domestic producers were practically immune from foreign competition.

But after 1947 the situation changed. Economic recovery in Western Europe made possible renewed exports of factory products. The result was that United States imports of semi-finished and finished manufactures more than doubled in value in the four years 1946–1950, rising from 1.8 billion dollars to 3.6 billion. The following two years brought a further increase of 1 billion dollars. Rising prices explain the gain in imports only in part. When proper allowance is made for this factor, we find that the quantity of manufactured goods imported in the six years 1946–1952 increased by about two-thirds.

This upsurge in imports was made possible by an unprecedented expansion in the American market. The expected postwar depression did not appear. Instead, the American economy continued to furnish 60,000,000 jobs at high wages, farmers' incomes remained high and thus the wartime upward trend in national income was projected into the peace. The outbreak of war in Korea brought a new rearmament boom.

The postwar prosperity, however, was not shared uniformly by all manufacturers. In some lines, sales and profits lagged behind the general trend; in others they actually declined. Producers in this situation were distressed by the reappearance in the American market of a great variety of foreign manufactures, chinaware and glassware, watches, woolens and worsteds, gloves and leather goods, chemical products and many smaller items. With revived interest in tariff protection, these producers, particularly since 1945, have strongly protested against extensions of the Trade Agreements Act. Although defeated in their efforts to repeal the Act they were able, through the Peril Point and Escape Clause amendments, to limit its effectiveness.

V. THE DIVISION OF INTERESTS

In today's tariff battle, on the low-tariff side are ranged the exporting interests and bankers engaged in financing international trade, importers' associations and groups representing the interests of consumers. On the other side are the groups which believe they would benefit from the restriction of imports; the independent oil companies, the producers of coal, lead, zinc and other minerals, some farmers and some manufacturers. Logically farmers, it would seem, should be sharply divided on the

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tariff issue. Cotton, corn and tobacco are products which in one form or another are still heavily dependent on export markets. Wool growers, dairymen, cattlemen and producers of sub-tropical fruits and vegetables, on the other hand, are exposed in varying degree to foreign competition. For the present, however, this conflict is smothered by an all-embracing price-support policy which cannot be reconciled with freer trade in farm products.

The attitude of organized labor is somewhat ambiguous. The leaders of the two largest national organizations lean strongly toward freer trade. Representatives of the American Federation of Labor, originally a high-tariff organization, and of the Congress of Industrial Organizations consistently supported the Trade Agreements Program in Congressional hearings and before the Randall Commission. Their statements, however, contained warnings that duties might have to be continued on imports from foreign countries, such as Japan, where low wages were paid by highly efficient enterprises. Also, the attitude of individual unions, the watchmakers and the pottery workers, for example, is strongly protectionist.

Among businessmen and in the public at large there is evidence of growing skepticism about the tariff. A 1953 survey conducted by the Council on Foreign Relations among leaders of opinion in 25 cities showed that a substantial majority of the 825 respondents believed that import duties should be reduced, even at the cost of injury to protected industries. The opinion of the 360 businessmen in the group did not diverge greatly from the rest of the sample.[1] Similar results are shown by the Research Institute of America's recent poll of 500 business and labor leaders. Sixty percent favored further lowering of tariffs. When asked whether tariffs should be lowered "despite the possibility of injury to the particular American industries involved" 44 percent said "yes;" 35 percent "no;" and 21 percent were unsure.[2]

Traditionally, the tariff has been regarded as an instrument for the protection of manufacturers. Their interests have been thought of as solidly opposed to those of farmers and consumers. But today, according to the president of the American Tariff League, the tariff struggle is " . . . a conflict between industry and industry. The industries which are convinced they do not

[1] Joseph Barber, ed., "Foreign Trade and U. S. Tariff Policy," New York: Council on Foreign Relations, 1953.

[2] *Saturday Review of Literature*, January 23, 1954.

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need tariff protection are pitted against those from whom they would remove that protection and wipe them out, if necessary, and put their employees on the dole and relief, as a result."

Manufacturers of chemicals, watches, woolens and worsteds, pottery, glassware, cutlery and certain other products are still staunchly protectionist. With the exception of chemicals and watches, the business units in these industries are typically firms of small and medium size. Their factories are often situated in small towns and cities where they furnish a substantial part of the available employment. Some of the largest American industries organized on a mass-production basis, making automobiles, typewriters, calculating machines and office equipment, have gone definitely over to the free-trade side. Manufacturers of electrical equipment and special types of machinery are on the fence. Some of their products are marketed successfully all over the world; others, they fear, would meet stiff competition at home were the tariff to be further reduced.

Division within the ranks explains the ambiguous position of the National Association of Manufacturers. Its representative, when appearing before the Randall Commission, announced that the Association took no attitude on tariff reform, neither for nor against. The membership, he reported, "was so evenly divided that no majority opinion could be established sufficiently strong to carry influence with those concerned with the development and implementation of national policy." Among the Association's 20,000 members an increasing number assert their confidence in the ability of American enterprise and American efficiency to meet foreign competition on even terms, at home or abroad.

In March 1953, when the Connecticut Development Commission sampled opinion among manufacturers on the extension of the Trade Agreements Act, less than 10 percent replied, although other surveys had produced returns as high as 80 percent. Seven Connecticut industrial groups, however, reported that they had been "severely damaged by tariff cuts made since 1934. These are the producers of clocks and watches; pins; wood screws; fine wire mesh; bicycle wire spokes and pointed textile wires; shears, scissors and pruners; and saddle and dog hardware." These industries employ about 22,500 people, about 5 percent of all persons engaged in manufacturing in the state.

The programs of high- and low-tariff groups show clear-cut conflict. Tariff reformers favor further simplification of customs

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procedure, repeal of the federal Buy American Act[3] and similar state and local legislation. They urge permanent or long-term extension of the Trade Agreements Act, and the continuation of gradual reduction in import duties by means of tariff bargaining. To give greater stability to the tariff structure, some would repeal the Peril Point provisions and abolish the Escape Clause.

For some 70 years the principal protectionist organization, the American Tariff League, has fought for higher tariffs. Among its 300 members, textile and chemical manufacturers are strongly represented, as well as smaller-scale industries such as pottery and handblown glassware in which labor represents a large element in cost. Of more recent origin and wider scope is the Nation-wide Committee on Industry, Agriculture and Labor on Import-Export Policy which represents the tariff interests of a number of trade unions, including miners, chemical workers, potters and hatters, as well as their employers; also, Atlantic and Pacific coast fishermen, cattlemen, wool growers, and Florida and California fruit and vegetable growers.

To the American Tariff League and the Nation-wide Committee, "tariff reform" means tightening, not loosening, the restrictions on imports. The League proposes that Congress should take back from the President the tariff-making powers it conferred in the Act of 1934 and abandon bilateral and multilateral negotiations as a means of fixing rates. With the aid of a strengthened Tariff Commission, answerable only to itself, Congress would resume exclusive control of tariff making. The League would also strike out the unconditional most-favored-nation clause in our trade agreements, thus reverting to conditions prevailing before 1923, and would tighten up our tariff system all along the line. Imports would be restricted by quotas when tariff duties prove ineffective, and anti-dumping and countervailing duties would be vigorously enforced.

Heretofore much of the tariff discussion in this country has proceeded on parallel tracks. The free traders emphasized the need for expanding our exports and cultivating better relations with foreign countries, while the protectionists concentrated on the need to maintain prosperous American industries. The results

[3] This legislation, enacted in 1934, requires federal purchasing agents in letting contracts to give preference to domestic bidders unless 1, the materials are to be used outside the country; 2, the materials are not available in sufficient quantity and of satisfactory quality in the United States; 3, procurement would be "inconsistent with the public interest;" or 4, the cost would be "unreasonable."

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were necessarily sterile as far as public education was concerned. But now we are witnessing head-on collisions. Tariff reformers are calling in question the protectionists' assumptions. "Let's get this tariff question into its proper perspective," they say. What, after all, they ask, is the importance today of protection to American manufacturing? What industries would be affected if imports should increase? Do any really have to suffer? Can't they adjust their operations, with or without public assistance, so as to meet successfully the new competition?

VI. DIMENSIONS OF THE PROBLEM

A glance at statistics may give a first approximation of the dimensions of the problem. Total imports of dutiable commodities in 1952, including products of agriculture, forestry, fisheries and mining, as well as manufactures, had a value of 4.5 billion dollars. Imports of dutiable finished and semi-finished manufactures were 2.2 billion dollars. Even when generous allowances are made for transportation costs, duties and importers' markup, this sum seems inconsiderable when compared with the output of American factories, valued in 1952 at 275 billion dollars.

Comparison of aggregates, however, does not help us to determine the impact of increased imports on specific branches of American production. Imports of watches in 1951 were 95 percent of domestic production. In woolens and worsteds imports were only 4 percent. Imports of earthenware and chinaware were 26 percent. But even these figures need further refinement, for within a single industry there are important variations. Thus, in the pottery industry the competition of English bone china is much more marked than that of hotel ware. Moreover, some duties are prohibitive, or practically so; others have little or no effect in limiting imports. Also, one needs to take account of price policies. A foreign cartel might decide to raise its selling price when import duties were reduced, rather than increase its shipments. American firms might block an incipient flood of imports by lowering their prices and profit margins. For all these reasons estimates of the probable effects of tariff reduction must be made, and received, with great caution.

Howard Piquet, an economist who has given much attention to this problem, has estimated[4] that if all tariffs and quotas were

[4] "Aid, Trade and the Tariff," New York: Crowell, 1953. The estimates, which are based on Tariff Commission data, assume the continuance of economic conditions at home and abroad as of 1951.

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suspended for a period of three to five years, annual imports of dutiable commodities, including products of agriculture, forests, fisheries and mines, as well as manufactures, might increase between 1.2 billion dollars and 2.6 billion. The principal gains in imports of manufactured goods, he believes, would be in the following: woolens and worsteds, rayon fabrics, linen towels and handkerchiefs, cotton hosiery, machine-made lace, Axminster rugs, linoleum, handmade glassware, leather gloves and handbags, boots and shoes, optical instruments, clocks, scissors and shears, pocket knives, sewing machines, bicycles, cigarette paper, books, wrapping paper, jewelry, toys and dolls. The over-all increase in imports, within the three to five year period, he estimates at between 11 and 25 percent.

Estimates of the number of persons who might be displaced by further tariff reduction vary widely. David J. McDonald, president of the United Steelworkers of America and a member of the Randall Commission, has estimated that if tariffs should be reduced 50 percent from the present level "not over 100,000 workers might be threatened, directly or indirectly, with the loss of their jobs." He thinks that this figure might be reduced by product diversification and other adjustments on the part of the companies concerned.

Assuming that free trade prevailed for three to five years, Piquet estimates that 300,000 persons at the outside would lose their jobs. In a recent article in *Life* (January 4, 1954) John K. Jessup and Michael A. Heilperin place the figure of jobs that are clearly dependent on the tariff at "well under a million." Estimates from protectionist sources, on a somewhat different basis, run much higher. The representative of a leading chemical firm claims that "all the chemical industry," which in 1953 employed between 700,000 and 800,000 persons, is vulnerable to foreign competitive attack. A spokesman for a group of protected industries claims that 5,000,000 workers are employed directly in producing industrial and agricultural products that face foreign competition. The wide disparity in the estimates indicates that here is an important subject for research.

VII. METHODS OF ADJUSTMENT

Much of today's tariff debate revolves about "methods of adjustment." Is there any way out for firms which would be injured by tariff reduction? Can they manage in some way or other to

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cut costs or shift production so as to stay in business, either at the old stand or in some new location? On these matters, as one would expect, the optimism of tariff reformers is matched by the pessimism of protectionists. Lower tariffs, the latter predict, inevitably mean unemployment and business failures. Tariff reformers, on the other hand, minimize injury and emphasize the ways and means by which domestic firms, with or without public aid, should be able to meet increased competition from abroad. Protection, they assert, has been a cloak for inefficiency; the removal of import duties should stimulate the introduction of improved cost-reducing techniques. A representative of the C.I.O. recently told a Congressional Committee: "The management of any plant . . . could probably, through a sound labor-management program of working to reduce costs and improve efficiency, make it competitive with foreign competition if it wanted to."

American industries throughout our history have been constantly engaged in adjusting their operations to new conditions. This has been the normal situation in our dynamic, expanding economy ever since the application of the steam engine to manufacturing and transportation reduced costs and gave rise to great shifts in established markets. In the past half century accelerated technological progress and the introduction of new products have created a new industrial revolution. Artificial fibers and plastics have created many problems for textile manufacturers. New forms of entertainment, the radio and television, have upset long-term plans of the moving picture industry. Compared with these changes, and the huge shifts from civilian to defense production and back again, say the advocates of tariff reform, the adjustments to free trade in manufactures would be insignificant. American business has survived change; in fact, it has thrived because of it. It is true that some enterprises, and occasionally whole branches of industries, have suffered short-term dislocation, but in the long run the dynamism of change and competition have brought prosperity and a rising standard of living.

Protectionists deny the validity of this line of argument. Competition between industries and regions in the United States, they point out, takes place within a framework of common legal and social institutions. The disparity in wages and labor costs between the South and New England is not so wide as between the United States and Japan. Inter-regional competition is less injurious than foreign competition, and adjustment is easier.

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Here is a field where much careful analysis is needed of the experience of individual firms in protected industries which in recent years have found their markets increasingly invaded by foreign producers.

Tariff Commission reports show that some firms have dropped products on which they were not able to meet prices quoted by importers and have concentrated their production on less competitive items. In some cases the impact of low-priced imports may be so severe that no amount of ingenuity on the part of the competing American firms can prevent falling sales and unemployment. In a large urban community the task of finding substitute employment for displaced labor and capital should not be difficult. Many protected industries, such as handblown glassware, however, are situated in small, one-industry communities where unemployment would present serious problems. In some cases migration of a part of the labor supply to other cities or states might be unavoidable. The hardship of moving might be lightened by grant of public funds, but the psychological injury of breaking long-cherished associations would still remain. As one protectionist remarked, "You can't move human beings around with a bulldozer."

Migration, however, is the extreme remedy. In many communities vigorous action by citizens' committees coöperating with state and local authorities may succeed in bringing in new enterprises. Low-tariff advocates point to the success of these methods in New England towns whose textile mills have moved South. A classic case of readjustment is furnished by Iron Mountain, Michigan. When the iron mines, which had furnished practically the sole business enterprise in a community of 12,000, gave out, workers found employment in a newly established factory making wooden automobile bodies. When that in turn folded up, owing to a style change, new industries were brought in which lifted employment to a record height.

For defense industries unable to meet foreign competition, we have suggested, subsidy payments might replace the tariff. It has also been proposed that subsidies need not be limited to industries essential to defense, but that any industry from which protection was withdrawn might be entitled to compensation from the federal treasury. The purpose of the subsidy would not be, as in the case of defense industries, to maintain domestic production at a specified level but rather to provide a means of liqui-

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dating the industry which would be relatively painless for both owners and workers. The cost of the subsidies to the federal treasury and the loss of import revenue would be offset over a period of years by savings to consumers. Neither protectionists nor free traders, however, think much of subsidies. To determine equitably the amount of the payments would be a formidable task. Besides, an undesirable precedent might thereby be established so that many businesses, influenced unfavorably by various kinds of federal legislation, would present their demands.

Federal assistance, however, might take other forms. Loans might be made to affected industries to cover the cost, at least in part, of modernization of plant or other readjustments. Federal tax laws might be revised to allow accelerated depreciation. Defense orders might be given to plants undergoing readjustment. To protect the interests of employees in "injured" industries retraining facilities might be provided and special forms of unemployment insurance. For the older workmen the date of old age insurance might be advanced. A rather elaborate plan to facilitate adjustment, including these and other measures of government assistance, was submitted to the Randall Commission by one of its members, Mr. David J. McDonald. All other members, for a variety of reasons, withheld their support.

To date the process of tariff reduction has not aroused great protest, in part because the State Department in selecting items for cutting chose those which were least explosive. A factor of greater importance was the economic climate in which reduction occurred. In rapidly expanding domestic markets most of the increased imports were easily absorbed. Also, under the prevailing conditions of full employment and intense business activity, whatever domestic businesses were adversely affected could readily shift their operations or in other ways make necessary adjustments. It follows that the continuance of a high level of business activity is practically a *sine qua non* for "tariff concessions without tears," to borrow a phrase of Professor Slichter's. Advocates of tariff reform perhaps have this in mind when stepping up the pace of their campaign, for should American business slide from recession to depression their prospects for accomplishment would be dim.

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BOLIVIA: TEST OF TECHNICAL ASSISTANCE

By Carter Goodrich

THE transfer of technology from one area to another is as old as history or anthropology. Techniques of production have spread in the wake of war and conquest. Imperial Powers have introduced them in their colonies. Peter the Great and many others have traveled to far countries in search of techniques for use at home. Wherever migrants have gone, they have carried their "know-how" and methods of work. Sometimes governments have taken measures to attract immigrants with particular skills. At other times they have tried to keep technical secrets confined within their own borders. Because of such a prohibition, for example, the father of American cotton manufacturing, Samuel Slater, had to leave England disguised as a farm laborer, bringing with him "like Prometheus"—as one historian put it—"the sacred flame of the industrial revolution." During the last century, the carrying of advanced productive methods to the so-called underdeveloped countries has been largely a by-product of penetration by business enterprises from the capitalist nations.

Into this age-old process, technical assistance as provided by the United Nations and the Specialized Agencies introduces a modern innovation—the effort to promote the transfer of skills by inter-governmental action, as part of a deliberate attempt to raise the standard of living of the less-developed countries. The United States by itself now offers technical coöperation to many countries, but even more novel in principle is the provision of such assistance by international organizations of which the governments receiving aid are full members.

The Expanded Program of Technical Assistance of the United Nations agencies launched in July 1950 had behind it the precedent of action on a smaller scale carried on before the war by the League of Nations and the International Labor Organization, and after the war by several of the international agencies. Like the bilateral program of the United States, it owed much of its immediate impetus to President Truman's famous speech of January 1949. It was adopted in response to repeated demands of the spokesmen of the less developed countries for action to

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carry out the economic promises of the Charter of San Francisco now that the enormous differences in living standards between the richer and the poorer nations appear to be growing greater and more conspicuous.

Funds for the program have come from special voluntary contributions pledged by the member states. During the first 18 months, some $17,000,000 were received and $6,500,000 paid out. In 1952 the program really came into its own. Nations learned how they might use technical assistance, and their requests were increased manyfold. The agencies began to master the difficult task of recruiting experts with the required spirit and skills. At the end of the year, operations as measured by expenditure were running at a rate four times as great as at its beginning. Outlay during 1952 was nearly $23,000,000 as against current contributions of $18,500,000.

This promising expansion had to be checked in 1953. The eagerness of the receiving governments continued to mount, but expenditures could not be increased, and an ever-growing proportion of requests had to be postponed or refused. Last November, 61 nations—including for the the first time several beyond the Iron Curtain—promised contributions of about $24,000,000, of which the United States under a matching formula pledged about $14,000,000.

With funds of this order—roughly only a fifth of those currently available for the United States program of bilateral assistance and small indeed as compared with the billions of military and economic aid—the program of the international agencies brought aid in 1953 to nearly 70 nations and territories. It provided the services of about 2,000 experts in the field and brought some 1,500 men and women from the aided countries for training in lands where their particular specialties were more advanced.

The fields in which advice and training are given are multifarious. Rather surprisingly, the experts have been found in places as diverse as those to which they have been sent: the 1952 staff was recruited from no less than 70 countries, though the majority naturally came from the industrial nations. The Executive Chairman of the Technical Assistance Board, Mr. David Owen, has cited the examples of "the Haitian coffee specialist working in Ethiopia, the Bolivian who is helping to control parasitic diseases in the Philippines," and the expert from

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Taiwan who is bringing to Haiti the ancient and effective Asian practice of the pond culture of fish.

The rules of technical assistance, as laid down by the Economic and Social Council and the General Assembly, provide that aid shall be given only at the request of the receiving government, in ways acceptable to it, and without interference in its internal politics. The receiving government must bear a part of the cost in its own currency and furnish adequate facilities for the work of the experts. An obvious corollary is that effective results are achieved only when the nation receiving counsel is taking vigorous and concerted measures to promote its own social and economic development.

Burma, Jugoslavia, Israel and Indonesia, among various countries, would provide examples of well-balanced programs, each with its own pattern of interrelationship between national effort and international aid. But Bolivia supplies an especially interesting instance of the way technical assistance is carried on.

II

The Bolivian program shares the general characteristics of the worldwide effort. The country bears its part of the costs, and the Mission is thoroughly international; there were 13 nationalities among the 26 experts appointed during the first two years. UNESCO, the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization, as well as the United Nations proper, have been represented. Yet the Bolivian experience has been unique, both because of the character of the program as originally conceived and because profound changes took place in the internal life and external relations of the country after it had gotten under way.

It had been planned to establish an unusually intimate relation between the foreign experts and the administrative processes of government. The diagnosis and prescription had been made by a United Nations Mission which studied Bolivia in 1950 under the leadership of Dr. Hugh L. Keenleyside, then a Deputy Minister in the Canadian Government and now Director-General of the Technical Assistance Administration of the United Nations. Its report declared that the most significant obstacle to the country's economic and social progress was its political and administrative instability—not merely frequent revolutions but also the lack of security, training and professional

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spirit in the public service. As partial remedy, the report suggested that a number of foreign experts be appointed to responsible positions in the Bolivian administration. The agreement of October 1, 1951, provided for the appointment of foreign "administrative assistants" in such key economic agencies as the Central Bank, the Office of the Controller-General, and the Ministries of Finance, Agriculture and Labor, as well as for other technical experts appointed in the ordinary way.

Work under this agreement had barely begun, and only the first few specialists had arrived in La Paz, when the course of Bolivian life was abruptly altered by the revolution of April 1952. This was no mere shift in the personnel of the palace guard, but a profound change in the most basic institutions of the country. Bolivia's part in the world economy was primarily that of an exporter of tin, its only major source of foreign exchange. The larger mines were owned almost entirely by foreign investors or by the Patiño family, which had long since expatriated its fortune. To many Bolivians this condition seemed to threaten national independence. Within the country, the dominant class consisted of large landholders. On their estates lived and worked the great mass of the Indian population, descendants of the Inca peoples and their predecessors of the Tiahuanaco civilization, almost entirely illiterate and to a surprising degree untouched by European culture. The relations were feudal and the methods of cultivation primitive. The two points of the new government's program—nationalization of the three largest tin companies and agrarian reform—were intended to change these fundamental conditions. The decree of October 31, 1952, nationalized the properties of the Patiño, Hochschild and Aramayo companies, with provisions for payment which still remain under negotiation. The decree of August 2, 1953, provided for the expropriation, with compensation, of the great feudal estates (preserving the minority of capitalistic agricultural enterprises) and for the distribution of land among the Indian population. By these two strokes, the government altered the basis of its foreign economic relations and undertook a domestic transformation aimed at incorporating the Indian into the national life.

The revolution posed a problem for the United Nations Mission. The agreement under which it had begun to work had been concluded with the Military Junta which had taken over the government precisely in order to keep out of office the party

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which had won the greatest popular support in the elections of 1951, the National Revolutionary Movement (M.N.R.). Moreover, the leader of that party, Dr. Victor Paz Estenssoro, now the new President, had while in exile attacked the United Nations Agreement on the ground that the powers assigned to the "administrative assistants" represented a surrender of national sovereignty. Thus the members of the Mission, who had already seen the walls of La Paz covered with Communist-inspired attacks in Spanish and Aymará, were now faced with the graver possibility that the government itself might wish their work to end. On the other hand, it would have been inconsistent with the principles of the program had the United Nations at this point proposed the withdrawal of technical assistance. The Mission was there to aid the people and not a particular régime. To make its services available to one government and deny them to another would have been an act of "political interference," expressly prohibited, and to have left Bolivia under these circumstances would have been interpreted throughout Latin America as an indication of a United Nations bias against nationalistic aspirations. Yet it was equally clear that the program could not continue except in agreement with the government in power, and could not be effective unless the government was prepared to make serious use of the assistance offered.

The government's position was promptly stated. The agreement was unsatisfactory and must be drastically amended to reduce the emphasis on administration. On the other hand, the government greatly needed technical assistance and would make serious use of it in carrying out its extensive plans for economic and social development. Satisfactory methods of operation were gradually worked out. The individual experts, confronted in their various agencies by entirely new personnel, succeeded one by one in demonstrating their good will and their practical usefulness. Gradually also the number of experts was increased. Finally, more than a year after the revolution, the understandings developed in this process were embodied in the Modified Agreement of May 2, 1953.

III

The new agreement declared that the Bolivian Government needed technical assistance so that its projects "of social improvement and economic development" might be carried out

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"with absolute technical and administrative efficiency." Certain changes were made in the list of positions to be filled, including the appointment of three additional experts to advise the government corporation that is now operating the nationalized mines. The new text eliminated some of the more extreme powers originally assigned to the "administrative assistants," changing their title to that of "technical consultant," but it retained their position as civil servants under contract with the Bolivian Government. The spirit of the agreement is best indicated in the functions assigned to consultants and experts. First of all they were to assist in the work of a National Planning Commission which was to coördinate the government's economic and social program. Moreover, in addition to their ordinary functions of counsel to the Ministers or other chiefs of agency, the members of the Mission were also to coöperate under their direction "in the execution" of agreed projects and "in the improvement or the reorganization" of the agencies to which they were assigned.

The work carried on may be described in terms of this list of functions. The Planning Commission is only newly organized. The experts have welcomed the invitation to work with it in the much-needed task of setting priorities within the government's program—perhaps a portent of very useful future development.

In the administrative field, some order has been brought into the chaos of social insurance institutions, proposals have been accepted for the reorganization of the Ministry of Labor, and a well-conceived plan has been prepared for improving the government's system of accounting and financial control. One expert was given the vital and highly controversial assignment of planning the reorganization of the Mineral Bank and the Bolivian Mining Corporation. These are beginnings, and they will be extended with the appointment of a special technical consultant for public administration and the establishment of a modest program of training for public officials.

The principal emphasis, however, has been on assistance "in execution." The text of the agreement made clear that the government wanted experts to do more than place well-prepared reports and proposals on the Minister's desk and take the next plane for home; it wished men who would stay and help wrestle with the difficulties of carrying them out. The great pressure has been that of current problems. These would have been difficult enough in any case, with inflation inherited and increasing, and

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with the transformations imposed by the government's own ambitious program. Early in 1953, all these difficulties were intensified by the drop in the world price of tin, which fell from $1.215 per pound of fine tin to about 80 cents. For Bolivia, a country dependent on imports for half of its food and for the machinery needed for the maintenance of its mining industry and the development of its agriculture, this meant the sudden loss of almost a third of its dollar income.

The economic crisis of course had its impact on the work of technical assistance. It meant that the consultants in social security and labor could not hope to give immediate effect to plans for the substantial extension of the social services. It meant that certain road construction projects, for example, and the building of a milk plant, would in all probability have to be deferred. There would be less chance of securing funds for hydroelectric projects to utilize the potential power of the eastern slopes of the Cordillera—described by Isaiah Bowman nearly 45 years ago as "one of the sanest of present-day possibilities."

On the other hand, the very intensity of the crisis led the government to utilize more thoroughly the services of the financial experts. The consultant to the Ministry of Finance was assigned the leading technical rôle in the strengthening of the tax system and the preparation of a series of emergency budgets. The principal effort in the financial field was the program of stabilization and exchange reform carried out in May 1953. By that time Bolivia had six official exchange rates while the black-market dollar had risen to a point more than three times higher than the highest of them. Food came into the country at a rate with which domestic agriculture could not compete and at prices so low that much of it was promptly smuggled out again. Unless these conditions were changed, there could be no hope of checking inflation, balancing the budget or operating the mines on a reasonable basis. The plan adopted cut through the chaos by establishing a single exchange rate for all imports and exports, with a sharp increase in duties on luxury articles, and a legal free market for other transactions. This sent the cost of living sharply upward. The price of bread, for example, rose by 150 percent. A flat rate increase in wages and salaries roughly compensated the lowest-paid workers for the higher costs but left everyone else to bear the new austerity. In this program the President and Cabinet of course took the difficult political de-

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cision, but the technical preparation was almost entirely the work of the consultant to the Central Bank and his colleagues, with the coöperation in the final stages of a special mission from the International Monetary Fund.

Meanwhile advice and assistance have continued on specific problems of economic development. One expert has begun experiments with a new American process that may make it practicable for Bolivia to smelt a part of its own tin. Two mining engineers have investigated the prospects of exploiting the country's iron deposits and have given counsel to the Bolivian engineers who have been maintaining the productivity of the nationalized tin mines since the departure of most of the foreign technicians. Three fellowships for study abroad have been awarded to Bolivian mining engineers, and a number of foremen and workers from the mines and the oilfields are also being given experience in countries with more advanced methods. A petroleum specialist with long business experience has advised on ways of increasing the production of oil. Recent drilling has brought in promising new wells; a geologist is being recruited to aid in further exploration and a legislative expert will assist in drafting the terms under which the government proposes to reopen the oil industry to private enterprise. When the Bolivian Development Corporation was judging bids for the construction of a new sugar mill, it asked the United Nations to send in specialists who could assure expertness and objectivity in the choice. Incidentally, the government's determination to reduce the nation's dependence on imports has emboldened it to make new capital investments in both these fields despite the fall in the price of tin.

Finally, assistance has also been used in the government's main program of internal transformation. When the Commission to plan the agrarian reform was organized, the international agencies were asked to provide the services of a Mexican agricultural economist, a man keenly conscious of the shortcomings as well as the successes of land reform in his own country. He and his United Nations colleagues assisted in the preparation of a system of supervised agricultural credit intended to increase the productivity of the new Indian landholders. Meanwhile the consultant in agriculture gave advice on measures for checking the immediate fall in output that was expected to follow the transfer of ownership. At the same time, the Andean Highland Mission—a joint undertaking of several agencies under the lead-

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ership of the International Labor Organization devoted to the problems of the indigenous peoples of Ecuador, Peru and Bolivia—was preparing to send a team of experts, including an anthropologist, to work in a village on the Bolivian altiplano. In coöperation with the experts in vocational education and teacher training, it will assist in demonstrating methods of social adjustment. All these are attempts to help equip the Indian population with the training, incentive and organization needed if it is to maintain and increase agricultural production and to discharge its new responsibility in the national life.

The work of the Mission is still in process and the future of the Bolivian economy remains uncertain. The crisis is by no means resolved; but the prospects have been greatly improved by the recent action of the United States Government in granting $9,000,000 in emergency aid. In a letter to the Bolivian President announcing this decision, President Eisenhower said: "The Government of Bolivia is already taking wise and courageous measures of self-help looking toward the diversification and stabilization of the Bolivian economy." The United States itself made a substantial contribution toward diversification through the Export-Import Bank loan for the highway which is opening up the rich potential of the Santa Cruz lowlands. American agricultural assistance, buttressed by aid in public health and education, is being intensified to exploit these possibilities. In the efforts toward stabilization, the Bolivian Government provided the courage, but the technical skill was supplied by United Nation experts working in sensitive and strategic positions. Their coöperation in these posts could have been acceptable to Bolivia only under an international program.

In the 1953 agreement with the United Nations, Bolivia declared that as a member of the organization it wished "to avail itself of the benefits of this modern system of international cooperation." The system has now been tested under conditions of revolution and economic crisis. It has adapted itself to profound economic and social changes and made some contribution toward giving them orderly direction. The test continues, but the best measure of the Mission's success lies in the degree to which its experts from many lands are called upon to assist in the solution of the central problems which confront the Government and the people of Bolivia.

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DANGER IN KASHMIR

By Josef Korbel

FOR almost seven years India and Pakistan have been waging a frustrating and exhausting struggle for Kashmir, a struggle that largely consumes the heavy budgets that burden their uncertain economies. Still, today, their armies watch each other across the precarious cease-fire line which was established under United Nations mediation some five years ago. The problem itself—whether the State of Jammu and Kashmir will become part of India or Pakistan—has eluded the efforts not only of bilateral negotiations, but of United Nations mediation as well. The country continues to be divided into two hostile camps with irreconcilable aims; one, the Azad Government, striving for the unification of Kashmir and its integration with Pakistan; the other, the Srinagar Government, linking its existence with India. Mutual suspicions, hatred and anger have almost obliterated the long-standing agreement between the Governments of India and Pakistan that the fate of Kashmir is to be decided by the democratic process of plebiscite.

But in the last few months the dispute has taken on a new and ominous character. As India persists with increased vehemence in a course of policy independent of the power struggle between the forces of democracy and Communism, and as Pakistan sees her national security better served by doing her share in strengthening the exposed area of South Asia and the Middle East, the dispute over Kashmir has become even more inflammable. The quarrel has now been projected into the arena of the global East-West struggle, turning Kashmir into one of the real danger spots of the world.

While the Governments of India and Pakistan have been engaged in diplomatic battles over Kashmir and the United Nations has played (somewhat timidly) the rôle of mediator, the Communist Party of India and the Soviet Union have thoroughly enjoyed the spectacle and have systematically pursued at the same time inconspicuous but effective tactics to turn the country into a Communist base for infiltration on the subcontinent. If the free world has only now begun to realize how deeply it is involved in the implications of the Kashmir conflict, the Communists have been aware of the potentialities of subversion in the Kashmir situation ever since its inception.

II

The strategic location of the State of Jammu and Kashmir is tailormade for Communist strategy and aims. The country borders for some 900 miles on Sinkiang and Tibet, but most of these boundaries have not been internationally fixed. According to some maps and some Soviet writers, it touches a short strip of territory of the Soviet Union.[1] Newspapers have reported from time to time infiltration of agents from the Soviet Union and Sinkiang to Gilgit, the northern province of Kashmir. In April 1953, the Pakistani Foreign Minister, Sir Zafrulla Khan, protested to the Chinese Government against violations of the Gilgit-Chinese border.

[1] This is not, however, sustained by the *Bol'shoi Sovetskii Atlas Mira*. Moscow: 1937.

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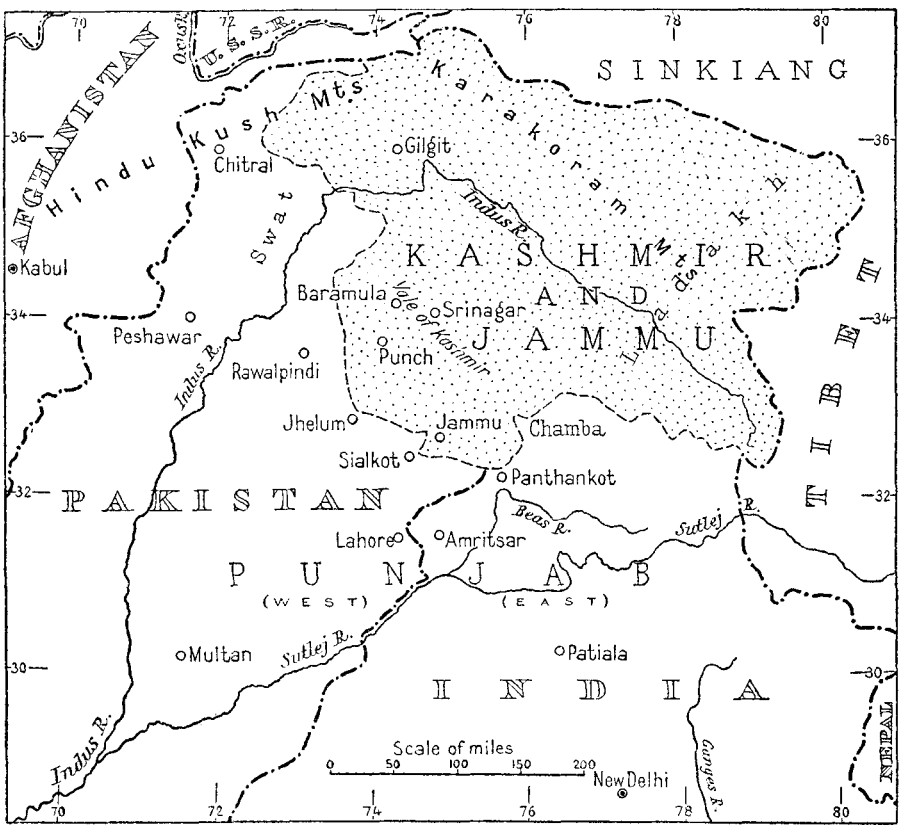
The Himalayan mountains and the Pamirs would not invite large-scale land operations, but the Soviet and Chinese military were reported constructing airfields on the edge of the Sinkiang-Kashmiri-Soviet border as well as in the vicinity of Lhasa and at Lharingo in eastern Tibet. Strategic roads have been under construction in both Sinkiang and Tibet. In the summer of 1950 Soviet technicians surveyed the Tibetan area of Lakes Manasarowar and Rakas which are reported to offer good bases for seaplanes.[2] The Buddhist population of Ladakh (a region in the eastern part of Kashmir) have religious affinities with their neighbors in Tibet and their lamas recognize the authority of the Dalai Lama at Lhasa. The Moslem populations of



Kashmir and Sinkiang and Soviet Turkestan are linked by the strong tie of Islam. This religious identity, as well as the scores of caravan routes known to the local tribes, present an ideal opportunity for infiltration, subversion and partisan warfare.

Internal conditions in Kashmir also offer promising possibilities for Communist agitation. The Kashmiris have no tradition of freedom. The poverty of their economic life has almost no parallel. The state lacks internal

[2] See Robert Trumbull, *The New York Times*, November 22, 23, 24, 1950; Reuter's report in *The New York Times*, February 3, 1953; *The New York Times*, December 28, 1953.

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cohesion. Ugly communalist elements prevail among the Hindus in Jammu; the Buddhists of Ladakh have no sense of unity with Kashmir. The political conscience of the Kashmiri Moslems is being ground between the millstones of faithfulness to Islam and the governmental policy of secularism. Over this scene of poverty, confusion and split loyalties hangs the heavily charged cloud of the Indo-Pakistani conflict. Surely, no situation could more delight the hearts of Communist strategists.

The first uprising of centuries in this luckless nation occurred in the early 1930's and was ascribed by some writers to "Bolshevik influence."[3] Indeed, the leaders of the Azad movement state that it was led by agents from Russia. But the Soviet writer, I. Mazdur, disclaims "the honor" and asserts that the upheavals were organized by bourgeois elements and were of bourgeois-religious nature. "There is no evidence from the material at [our] disposal of any participation of the revolutionary Indian organizations in the Kashmir insurrection," writes Mazdur. He concludes: "Only the Communist Party of India leading the struggle of the peasantry can bring them to the possession of land and liberation from feudal and imperialistic oppression."[4] Whatever may be the truth of the political background of these outbursts, they did serve notice that there was a revolutionary potential in Kashmir. The Communist Party of India, suffering in this period from factionalism and intellectualism, did not exhibit much interest in Kashmiri politics. But the repercussions of the struggle for independence in India found an echo in Kashmir, and offered an opportunity for the Communists to slip through the backdoor into the political life of that country. This was the period when Communist parties all over the world adopted the tactic of seeking Popular Fronts with democratic forces. Although the Communist Party was then outlawed in India its members held many important positions in the National Congress, and a few Communists infiltrated the ranks and leadership of the All Jammu and Kashmir National Conference.

In May 1946 Sheikh Abdullah, the leader of the National Conference, fired by the patriotic enthusiasm that was sweeping the subcontinent, launched a "Quit Kashmir" campaign against the Maharaja, and was sentenced to nine years in prison. This time the Communists were full of praise for such revolutionary fervor. "After the Second World War," wrote the foremost Soviet specialist on India, A. M. Diakov, "a national movement in Kashmir developed the program of doing away with the Maharaja, of turning Kashmir into a democratic republic, of giving to the people of Kashmir the right of self-determination."[5] Still later, in 1951, Diakov evaluated the endeavors of the National Conference in more concrete terms. "Till 1946," he wrote, "the National Conference was under the leadership of bourgeois elements which stood close to the 'leftist' wing of the All India National Congress. In 1946, however, the Kashmiri peasants accepted a plan in which the workers actively joined. Under the influence of the masses the National Conference accepted a democratic program."[6] The forces of

[3] "The Princes of India," by Sir William Barton. London: Nisbet, 1934, p. 127.
[4] *Revoliutsionyi Pod'jem v Indii.* Moscow: Partiinoe izdatel'stvo, 1933, p. 182.
[5] A. M. Diakov, *Natsional'nyi Vopros i Angliiskii Imperialism v Indii.* Ogiz, 1948, p. 195.
[6] "Indien und Pakistan," by A. M. Diakov. Berlin: Kultur und Fortschritt, 1951, p. 22.

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Kashmiri nationalism and of the struggle for freedom were on the march, and Communists were riding this wave, following the well-tested pattern of their policy in colonial and underdeveloped countries.

In September 1947, Sheikh Abdullah was suddenly released from prison. In a number of public meetings he immediately insisted that the country first wanted its freedom and only then would decide whether to accede to India or Pakistan. The Communists in India endorsed this slogan of "freedom before accession." The autocratic régime was indeed soon to be removed. Facing the tribal invasion in October 1947, the Maharaja acceded in haste to India and from exile nominated Sheikh Abdullah, his fiercest enemy, as the Prime Minister of the State of Jammu and Kashmir. The Communists had good reason to be jubilant over the development: India and Pakistan were fighting over Kashmir, and in Srinagar their protégé, the National Conference, was in power. After the tribesmen had been driven from Srinagar, the city was decorated with red flags, and the central square renamed Red Square. The Soviet journalist, Orestov, noted that though "Sheikh Abdullah's government, brought to power on the rising tide of a truly popular movement, had proved impotent in the face of the Indian reactionaries . . . nevertheless, in Kashmir, this friendship [for the Soviet Union] and the people's interest in the life of the Soviet Union are particularly great."[7]

III

The events of the fall of 1947 set the stage for further promotion of Communist objectives in Kashmir, and the familiar pattern of infiltration again emerged. The party's chief (though undeclared) exponent, Ghulam Mohammad Sadiq, is President of the Constituent Assembly. He has been prominent in the leadership of the National Conference since its foundation, and is the leader of the labor movement in Kashmir. In the summer of 1950 he organized demonstrations in Srinagar in support of the Stockholm Peace Congress, and more recently joined in the Communist clamor over the fictitious "germ warfare" in Korea. He maintains close contacts with the Communist leaders in India.

Several key positions in the Home Ministry, Ministry of Finance and Ministry of Revenue are in the hands of Communists or men with Communist leanings. Many local governmental functionaries acknowledge allegiance to Communist beliefs; pictures of Stalin are not infrequently found in their homes or offices. Communists have infiltrated not only labor unions, but also the Students' Federation, the Youth League and the Cultural Front, and are in control of the Progressive Writers' League.

The "magna charta" of the National Conference is the leaflet called "New Kashmir," ascribed to the Communist writer, B.P.L. Bedi, and published in 1944. It proposes constitutional guarantees of basic political rights, and radical economic reforms emanating from Marxist convictions about the need to abolish private property. The National Conference gave little heed to the political promises embodied in "New Kashmir" when it came to power; it introduced and has maintained a one-party system, with complete

[7] "The War in Kashmir," by O. Orestov. *New Times*, No. 40, September 29, 1948, p. 24–30.

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governmental control of the Constituent Assembly, education and radio, and with supervision of the press.

On the economic side, however, it implemented a policy of drastic changes. Some were healthy for a country such as Kashmir which has suffered from exploitation by landlords and money-lenders and which lacks private capital. But they were accompanied by practices which parallel those of Communist régimes. Land reform, highly commendable in principle, soon became expropriation without compensation, and the land was broken up into tiny fragments. Each peasant received an average of 1.23 acres; by the end of March 1953, 188,775 acres had been transferred to 153,399 tillers. Collective farms were also established, and by April 1953 the government owned 87,500 acres of land. A desirable system of coöperatives broke down because of corruption and inefficiency. Now all forests and most of the factories have been nationalized, transport is run by the government, and foreign trade has been organized by the governmental Kashmir Peoples' Coöperative Society. Taxation and obligatory redemption of agricultural products are enforced with brutality. For all practical purposes, Kashmir is well on the way to communization. The government has adopted the name *Awami Raj*—People's Government; People's Brigades, People's Guards, People's Militia have been organized. Simultaneously, the words freedom, self-determination, democracy and peace are used by the National Conference leaders in a way which indicates that Kashmir, too, has become a training ground for these ominous exercises in Communist semantics.

Meanwhile, the problem of relations between the central government in Delhi and the government in Srinagar offered the Communists another field for their disruptive policy. Sheikh Abdullah was drifting step by step from India. In 1949, soon after the cessation of hostilities, he began to insist that the State of Jammu and Kashmir had acceded to India only in matters of foreign affairs, defense and communications. In all other fields he jealously guarded Kashmir's autonomy, and, in July 1952, formalized this relationship with the Delhi Government in an agreement with Jawaharlal Nehru.

The leader of the Communist Party of India in the House of the People (in Delhi), A. K. Gopalan, welcomed the Nehru-Abdullah agreement. Abdullah was received with jubilation by the National Conference in Srinagar. But this triumph presaged his downfall. The provinces of Jammu and Ladakh reacted with threats of separation from Kashmir. The Hindu party in Jammu, Praja Parishad, declared that unless Kashmir merged fully with India the province would secede, and staged a series of demonstrations which resulted in the arrest of thousands of people. The movement was led by a group of dispossessed Hindu politicians and was, in Nehru's terms, "thoroughly misconceived and mischievous, narrow, bigoted, reactionary and revivalist." But it went deep into the rural areas. Though basically communalist and rightist, the Parishad received Communist encouragement; the Jammu representative of the Communist Party of India, Dhanwantry, criticized the reactionary character of the movement, but justified Hindu irredentist activities on a "linguistic basis." The Communist objective, of course, was simply to stir up trouble.

As the separatist agitation in Jammu grew it spread to Buddhists of

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Ladakh, another non-Moslem province. The Head Lama, Kushuk-Bakola, proclaimed that there was no place for Ladakh in a virtually independent Kashmir. "The only bond that linked Ladakh with Kashmir in the past was the Maharaja," he said. "With the abolition of the hereditary rulership, that bond had, however, broken." He went so far as to suggest that Ladakh might seek political union with Tibet, with which Ladakhis had "natural ties." Many of them, he hinted, "have begun to look at the changes in Tibet as a solution of their ills."[8] One could hardly expect that this attitude would displease the Communists. The country, indeed, was on the verge of disintegration and economic collapse.

In April 1953, Abdullah opened a counterattack. He reminded both the Kashmiris and the Government of India of his principle of "freedom before accession," declared that "the communal happenings of last year have shaken the foundation" of Kashmir's relationship with India, and at the beginning of August went so far as to charge that Kashmir's initial accession to India had been forced on her by India.[9] He refused several invitations from his long-time friend and protector, Prime Minister Nehru, to come to Delhi for consultation, and continued to hint at the possibility of independence.

In this campaign Sheikh Abdullah presumably relied on Communist support. Like him the Communists were opposed to Kashmir's union with Pakistan, though for quite different reasons. They knew that such a union would be tightly knitted within the Islamic society and would offer little room for their policy (though they have prepared a small group led by Ghulam Mohi Ud-din Kara for such an eventuality). Abdullah's policy of autonomy for Kashmir was exactly suited to their aim—to transform this area into another Outer Mongolia. They took an active part in the preparation of a constitution envisaging the creation of an independent Kashmiri army to replace the Indian army. Yet just when Abdullah's policy seemed to bring these dreams close to fulfillment, the Communist Party of India suddenly withdrew its support from Abdullah.

The explanation of the abrupt turn of Communist policy probably lies in a supposition which became current at that time in Delhi and Srinagar to the effect that the United States was supporting an independent Kashmir. The rumors were related to Mr. Adlai Stevenson's visit to Srinagar in May. In July reports appeared in the newspapers that the Kashmir dispute would be settled by allotting the predominantly Moslem regions to Pakistan, Jammu and Ladakh to India, and by carving out the Valley of Kashmir as an independent country under a guarantee of Pakistan and India. The plan was reported to have the approval of the United States.[10] Although Pakistan and India categorically rejected the truth of the rumor, and although any American intervention was later officially denied, the mere rumor seemed to be enough to convince the Communists that they had best move in the opposite direction.

The Central Committee of the Communist Party of India now issued a

[8] *UPI* (United Press India) as quoted in *Kashmir Affairs* (Rawalpindi), No. 49, December 6, 1952; *The Christian Science Monitor*, June 27, 1952; *The Times* (London), December 24, 1952; March 31, 1953.

[9] *The Hindu Weekly Review* (Madras), August 10, 1953.

[10] Robert Trumbull, *The New York Times*, July 5, 1953.

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resolution expressing emphatic opposition to the idea of an independent Kashmir, warning of the danger of occupation of the strategic Valley of Kashmir by American military forces and calling upon "the democratic forces of Kashmir and Jammu to save the people from these new designs of imperialists and their conscious supporters and misguided votaries." The resolution also supported qualified accession of Kashmir to India, declaring that by limited accession the state would not only be united in friendship with India, but would also retain "its own status of virtual independence within the framework of the Indian Union."[11]

On August 9, at 3:50 a.m., the drama came to a Shakespearean climax in the fabulous Maharaja palace: Yuvaraj, the Head of the State and son of the exiled Maharaja, who had been banished by Sheikh Abdullah in 1947, now revenged his father and dismissed Abdullah from the premiership. Bakshi Ghulam Mohammed became Prime Minister and immediately denounced the idea of "an 'independent' Kashmir under the influence of imperialist power," and confirmed Kashmir's "indissoluble links with the democratic movement in India."[12] Sheikh Abdullah, until now a willing and naïve servant of the Communists, was put in prison on charges of "corruption, nepotism and intrigues with foreign Powers." The Communists, however, remained in the new government. Their position has even been strengthened by the appointment of Sadiq as Minister in charge of education, public health, broadcasting and information.

The abrupt change of the Kashmir Government, accompanied as it was by large-scale demonstrations in which many Moslems were killed, caused an uproar in Pakistan. The sabers of the Azad fighters and North-West Frontier tribesmen rattled again in their scabbards. Mohammed Ali rushed to Delhi to consult with Prime Minister Nehru, and on August 20 they issued a joint communiqué. They reaffirmed the six-year-old agreement on plebiscite and decided to appoint a Plebiscite Administrator by the end of April 1954, if there could be a solution of "certain preliminary issues."

As strange as it may appear, the Soviet press and the Communist Party of India welcomed this new development. Even so, one is bound to wonder about the sincerity of Communist enthusiasm for the Delhi agreement, since if successfully implemented, it would defeat the objectives of Soviet policy in the area. More than likely the Communists have no profound fear that the agreement will have any significant result.

Present tendencies seem to confirm such expectations. Disruptive forces are again at work. The new Prime Minister of Kashmir, Bakshi, publicly stated that Kashmir is an integral part of India and "no power on earth can separate the two countries." The Head Lama of Ladakh has concurred, declaring: "Plebiscite or no plebiscite, Ladakh has made its choice and its decision to accede to India is irrevocable." The communalist parties, Hindu Mahasabha, Jan Sangh and Praja Parishad in Jammu thundered in almost identical language that "the accession of the state to India was final and irrevocable and there was no question of holding plebiscite to determine its future status."[13]

[11] *The Times of India* (Bombay), August 1, 1953.
[12] *The Times of India*, August 10, 1953.
[13] *The Times of India*, August 24, 27, 1953.

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Nor have the Communists been quiet. Following the instruction of the Central Committee, local organizations of the Communist Party observed "Kashmir Day" on August 30, and passed resolutions asking for "immediate expulsion of the U.N. representatives and other imperialist agents" from Kashmir. A. K. Gopalan appealed "for the creation of an atmosphere in Kashmir conducive to the state's final accession to India," and suggested "that all U.N. observers should be asked to leave Kashmir State before the plebiscite was held."[14]

None of these utterances from India and Kashmir has been calculated to calm Pakistan's fear or to increase the possibility of an impartial plebiscite. In Pakistan and on the Azad territory, the Delhi agreement was received with coldness or open criticism. There were persistent rumors that the government itself was split in its evaluation of the agreement, though these were officially denied. The Azad leaders renewed their challenge that the Kashmir issue should be decided by the sword and announced the organization of a "Kashmir Liberation Front." The atmosphere of friendship between India and Pakistan fostered since last spring has been endangered, and now, in connection with the question of American military aid to Pakistan, Nehru publicly raises doubts as to whether the Delhi agreement can still be applied, declaring in effect that it was signed under circumstances that have now changed. Bakshi and Sadiq have put up a new barrage of the most violent language against Pakistan and the United States. The chances of a negotiated settlement were further diminished in February, when the Kashmir Constituent Assembly ratified the state's accession to India—an act contrary to the spirit, if not the letter, of the Delhi agreement and contrary to both the spirit and the letter of the Security Council resolutions. The Communists appear not to have miscalculated the value of the Delhi agreement.

IV

The Communists have persistently sought to bring the Kashmir dispute into the focus of East-West conflicts, and have claimed that all difficulties were the result of an Anglo-American plot. On June 9, 1948, the pro-Communist Bombay weekly *Blitz* published a special issue called "Great Conspiracy," purporting to show that the invasion of Kashmir had been planned and supported by the British and American Governments. The Communist writer, Rajbans Krishen, wrote a book on the theme that the United Nations acted in the Kashmir dispute on orders of the Anglo-American warmongers.[15] Communist politicians, parties and press have never ceased to reiterate that the two Western Powers wish to turn Kashmir into a military base against the Soviet Union. The theme was repeated at every annual meeting of the National Conference, at the "Peace Conference" in Jammu in September 1952, at the "Peace Conference" in Peking in October 1952 and by the Soviet representative at the sessions of the Security Council.

[14] *The Statesman* (Calcutta); September 1, 20, 1953; *The Times of India*, September 19, 1953.

[15] "Kashmir and the Conspiracy against Peace," by Rajbans Krishen. Bombay: People's Publishing House, 1951. (The book was extensively quoted and highly praised in *Izvestia* on February 6, 1953, in an article "Anglo-Amerikanskie proiski v Kashmire.")

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Soviet Communist policy has for years sought to discredit the rôle of the United Nations in the Kashmir dispute. Whenever the issue has been discussed before the Security Council, the Soviet representative has carefully expressed no opinion on the merits of the case, but he plays up the slogan of self-determination for the Kashmiris, and accuses the United States and Great Britain of imperialist aims there. He has let the American and British representatives pursue the thankless efforts of mediation, obviously in the expectation that they would fail. In a sense this hope materialized, for when India and Pakistan entered into their most recent bilateral negotiations and signed the Delhi agreement, the United Nations was not even mentioned.

Jawaharlal Nehru has always been critical of the treatment of the Kashmir dispute by the Security Council, and particularly of the British and American proposals of its settlement. He has often raised his eloquent voice against "foreign interference" in this issue. When the Security Council recommended that the question of demilitarization of Kashmir be decided by arbitration, he stated that the United States and Great Britain "have completely lost capacity to think and judge anything. . . . No organization and no country has any business to interfere with what is done in Kashmir by India or the Kashmir people. . . . The whole thing is a fantastic nonsense."[16] When the Communists, as well as several non-Communist papers in India, accused the United States of standing behind Sheikh Abdullah's alleged scheme of independence of Kashmir, in spite of official American denial, Nehru said only that such reports were "greatly exaggerated," that, though "it would not be correct to call it governmental interference . . . there were hard cases of individual interference."[17]

Kashmir has, however, become an East-West question. As the governments of India and Pakistan have failed to reach a settlement, its importance has, with all the potential dangers, surpassed the boundaries even of the vast subcontinent. If Nehru's resistance to American military help to Pakistan points to the danger of turning South Asia into a "war area," the fact is that Kashmir has been for years a war area to the Communists. The West has had no other interest in the Kashmir dispute than to see it settled peacefully, and is not responsible for the failure to solve it.

With Pakistan ready to join forces with the free world and India committed to an "independent" policy, the Kashmir problem becomes more complex and the solution of it more imperative. Perhaps the growing knowledge of the gravity of the Kashmir situation may yet convince the parties concerned of the necessity of coming to an agreement. If, however, the bilateral negotiations falter, the United Nations must be ready to assume its responsibilities again and attempt by every possible means to assure the Kashmiri people of their right to decide their own future. But time is running short. For if the problem of Kashmir is not soon resolved with wisdom and in justice, a shadow may slide over the Himalayas and the Pamirs, engulfing in its darkness even Nehru's colossal experiment in democracy.

[16] *The Hindu* (Madras), June 12, 1951.

[17] September 17, 1953, *India News*, Washington, D.C.: Government of India Information Services.

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THE SOVIET GRIP ON SINKIANG

By Li Chang

THE grip of the Soviet Union on the great Chinese province of Sinkiang is now complete. The pattern of conquest is the same as that which brought Tannu Tuva and Outer Mongolia under Russian control—patient and remorseless pressure by means of commercial treaties, intrigue, propaganda and force of arms, behind a façade of pious assurances of nonintervention. That the U.S.S.R. has picked up the policy of imperial expansion in Asia where the Tsarist Government left off is now generally realized in the West, but the full story of Soviet penetration of Sinkiang has never been told. That is not surprising, since essential episodes of earlier years were concealed within secret treaties only recently brought to light, and the terms of the latest arrangements between the Kremlin and the Chinese Communist régime in China are still carefully hidden from the Chinese people and the rest of the world.

Sinkiang borders Russia for more than 1,000 miles. The Trans-Siberian Railway, with its connecting link to Tashkent in Soviet Central Asia—the Turk-Sib Railway—forms an arc around its northern and northwestern frontiers. The province is larger than France, Germany and Britain combined. It is rich in minerals, including oil, and of vital strategic importance, especially to Afghanistan, Pakistan and India. In Soviet hands, it is a wedge into the heart of Asia.

II

The year 1928 was a turning point in the history of Sinkiang. From 1912 to 1928, the province had been administered by an able and autocratic governor, Yang Tseng-hsin, whose policy of isolation had sealed the province from foreign influence. He was assassinated on July 7, 1928, after 17 years of undisputed rule, and the ensuing period of chaos gave the Soviets an opportunity for conspiratorial aggression.

The misgovernment and oppression of Chin Shu-jen, who succeeded Yang, provoked Moslem rebellion and civil war, which lasted from 1930 to 1934. The Moslem insurrection was stiffened by an invasion of their coreligionists, the Tungans (Chinese Moslems) of Kansu, headed by a remarkable young general, Ma Chung-ying, only 23 years old. He inspired utmost devotion in his men, and was leading what promised to be a successful advance on the provincial capital when he was wounded in both legs and forced to withdraw. Meanwhile, racial animosity increased and in a short time Kazakhs, Turkis, Tungans and Kirghiz were involved and the whole province was ablaze. Chin turned to the Soviet Union for aid. Since the Moslem rebellion was a wide popular movement, Moscow might, in theory, have been expected to associate itself with the oppressed peoples. Realpolitik as practised by the Kremlin led to a different conclusion. Chin's weakness offered the possibility of an agreement for economic concessions in Sinkiang which could never have been obtained from his predecessor and could not be wrung from

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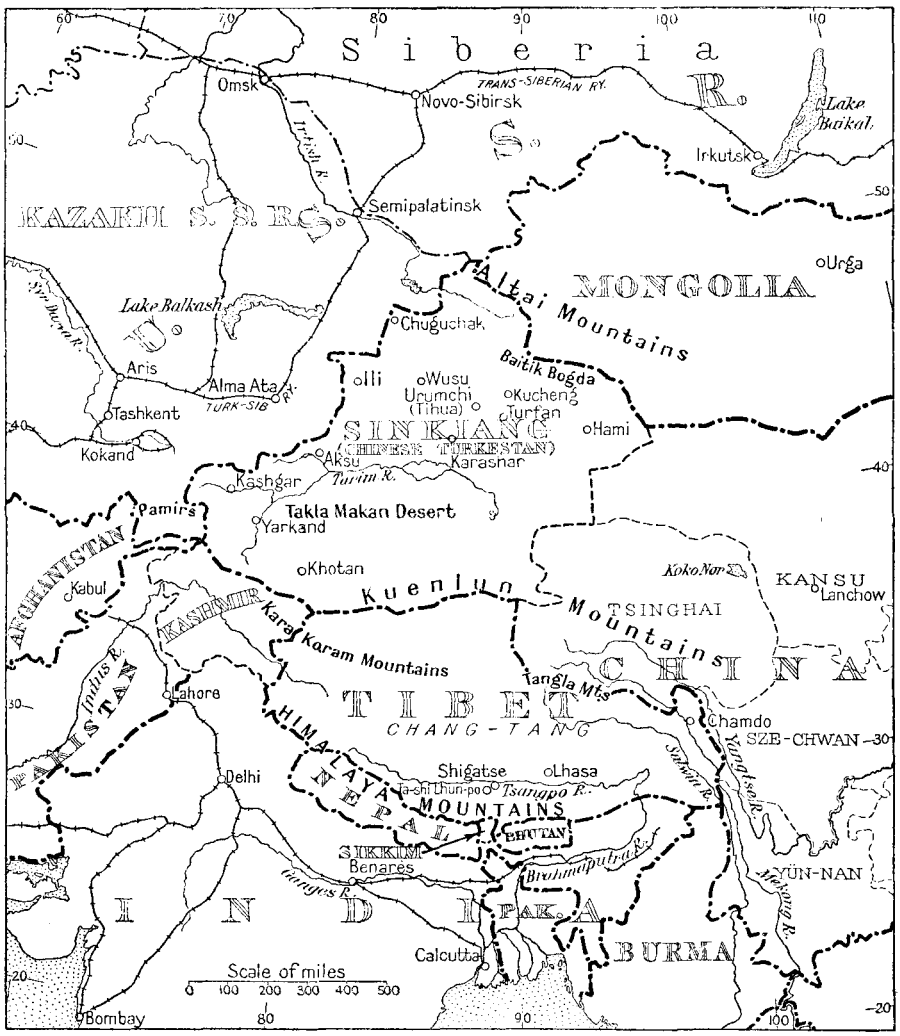
Nanking. Moreover, General Ma, for national and religious reasons, was strongly opposed to the Soviet Union. His advisers were Turkish, and he hoped to create a Pan-Islamic state in Central Asia. The Japanese were also supporting him, with the object of making Sinkiang a bulwark against Bolshevism.



As the price of arms to Chin, the Soviets gained his assent to a treaty which gave them far-reaching trade concessions. It was a secret agreement, concluded on October 1, 1931, between Chin's Commissioner of Foreign Affairs, Chen Ch'i-shan, and the Soviet Consul General at Tabriz, Slavutsky, who later became Ambassador to Tokyo. The text of the agreement with its four annexes[1] was never reported to Nanking, and not revealed until

[1] *cf.* "China and the Soviet Union," by Ai-ch'ên Wu. New York: John Day, 1950, p. 376–379.

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June 1933. The signing of an independent agreement with one of China's provinces was a violation of the country's sovereignty. (China had broken diplomatic relations with the Soviet Union in 1929.) The agreement gave the U.S.S.R. the following privileges: 1, the right to open commercial offices in Urumchi, Chuguchak, Ili (Kuldja) and Kashgar, and to appoint representatives to enter contracts with local merchants in Turfan, Karashar, Aksu, Yarkand and Khotan; 2, the right of unrestricted movement for employees of these offices and other Soviet citizens for purposes of trade over the whole of Sinkiang. It also provided for reduction of custom duties on goods of Soviet origin, telegraphic connection between Chuguchak and Bahkti, and wireless communication between stations in Sinkiang and the U.S.S.R. In return, the treaty granted Chinese merchants dealing with goods of Chinese origin the right of transit across Siberia from Sinkiang to China proper and vice versa. The Soviets further promised to supply machinery and send technical experts for the development of Sinkiang. Obviously, Soviet influence would expand in proportion to the assistance rendered.

While Slavutsky was negotiating this agreement with the provincial government, Postnikov, the Soviet Consul at Kashgar, supplied the Civil Governor of that area, Ma Shao-wu, a Tungan, with rifles, machine guns and cartridges to carry on the revolt against that same government in the southern part of Sinkiang.[2] Duplicity could scarcely be carried further. The reader will not be surprised to be told that this pact with Soviet Russia did not save the situation for Governor Chin, and did not end the civil war. Despite Soviet protests, Chin enrolled 1,800 White Russian émigrés under the command of Colonel Pappengut, but although the contingent proved efficient, it was unable to subdue Ma Chung-ying and his riotous followers.

Partly to counter possible penetration by Japan into northwest China, and partly as a way of getting further concessions, the Soviet Union now came forward openly on China's side, enabling 10,000 men of the North Manchurian Chinese army, who had been defeated by the Japanese and interned in Siberia in 1932, to be "repatriated" to Sinkiang. They reinforced the provincial government, but Chin, unpopular and utterly incompetent, had played out his hand. A *coup d'état* engineered by his own Chief of Staff on April 12, 1933, resulted in his downfall. Sheng Shih-tsai, who had received his military training in Japan, succeeded him as Border Defense Commissioner. Nanking, which could not help itself, later made the appointment official, and Sheng ruled Sinkiang for 11 years until his removal in July 1944.

In the meantime, the youthful General Ma Chung-ying gathered a large force and established his control as far as Kucheng, 126 miles east of Tihua (Urumchi). The Tungans in the north were ready to join forces with him in an attack on the capital, while Moslem chiefs in the south either openly proclaimed their allegiance or were secretly in communication with him. These were indeed troubled waters, and Moscow was fishing in them busily. In the Ili area, the Garrison Commander Chang Pei-yuan revolted, and 3,000 of his men marched on the capital. The Russians had supplied him with arms also—and when Sheng, the new Defense Commissioner, threatened on

[2] "In Kashgar, December 1927–October 1931," by Dr. Cherbakoff. *Royal Central Asian Journal*, October 1933, p. 532–543.

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three sides and unable to win a decisive victory, appealed to them for assistance they were as obliging as they had been to his predecessor. This, plainly, was the situation they had been preparing.

In December 1933, the Soviet General Pogodin appeared on the scene to conduct negotiations. All was secret; we do not know whether any written agreement was made. But a comprehensive understanding was certainly worked out, and its result was the sovietization of the province of Sinkiang. Military, economic and political developments make plain the nature of the agreement. Early in 1934, 7,000 Soviet troops disguised in Chinese military uniforms and equipped with tanks, artillery and aircraft were smuggled into Sinkiang. General Ma's troops were badly demoralized by gas bombs dropped by the Soviet airmen. In his book "Flight of the Big Horse," Sven Hedin gives a vivid account of how 28 bombs were dropped on Korla in one day. Ma withdrew to Kashgar, and, after holding out for some time, mysteriously left for the Soviet frontier at Irkeshtan on July 16, 1934, accompanied by Constantinoff, the Secretary of the Soviet Consulate and by some members of the Soviet Trade Agency.[3]

Under the command of General Pogodin, the Peace Preservation Corps—a counterpart of G.P.U.—was organized. The White Russian Army was purged, and Colonel Pappengut (denounced by his aide, Bukhteyev) and several of his colleagues were shot. The following passage from the former Soviet official, Alexandre Barmine, is most revealing:

> The great province of Sinkiang in Western China was another object of our attention. . . . At the moment when I started the new trust, the Politburo decided to give full aid to the Governor of Sinkiang, who was besieged in his capital by a number of rebel Moslems, incited, in our opinion, by the British. The job of sending arms to Sinkiang was left to me. It turned out a very difficult task.
>
> The capital of the province was already menaced by the rebels. The Politburo ordered two brigades of G.P.U. troops with air units of the Red Army to clear the roads and liquidate the rebellion. Meanwhile, on the order of the Politburo, we shipped a number of planes and bombs to the borders of Sinkiang. There they were stuck for some time, as the road to Urumchi, capital of Sinkiang, was blocked by the rebels. Finally the command of the Red Army Air Force operating there took charge of this shipment. They "delivered" our cargoes, consigned to the Governor, by dropping the bombs on the rebel forces gathered round the capital, and by landing the planes right on the airfield of the besieged fortress. I was instructed to send the bill for the bombs, as well as the other goods, to the Governor.
>
> Breaking through Urumchi, the Soviet troops swept the rebels before them. Soon the pro-Soviet governor of Sinkiang was firmly established in power.
>
> According to Stalin's plan, Sinkiang was to become a sphere of exclusive Russian influence and to serve as a bulwark for our power in the East. We had to equip 10,000 Sinkiang troops completely, from boots to Kuomintang insignia. Soviet advisers, who actually exercised the authority of ministers, were placed at the Governor's elbow. A commission headed by Stalin's brother-in-law, Svanidze, was sent to Sinkiang to draw up a plan of reconstruction for the province. My trust was instructed to send engineers to build roads, airdromes and hangars all over Sinkiang.[4]

[3] *Royal Central Asian Journal*, January 1935, p. 102.

[4] "One Who Survived," by Alexandre Barmine. New York: Putnam, 1945, p. 231–232.

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An armored unit of the Soviet Army, 3,000 strong, dressed in Chinese uniforms and known as "Altai Volunteers," was stationed at Hami, 350 miles east of Tihua, guarding the approach from Kansu. The Soviet Government maintained that these troops, stationed on Chinese soil, were there to forestall possible Japanese attack from Inner Mongolia. They, of course, served to keep Sheng firmly under Russian control.

Economic penetration was no less flagrant. The completion in 1930 of the Turk-Sib Railway, which flanked the Chinese frontier in many places, had put the Soviet Union in position to exploit the markets of Sinkiang. It soon came to enjoy a monopoly of Sinkiang's trade, obtained exclusive mining concessions, including those for oil and gold, and introduced its own Soviet experts to investigate mineral resources. The establishment of commercial offices was followed by the influx of a host of technicians and economic and political "advisers." An "anti-imperialist" movement was launched to facilitate this expansion by subjecting British and Indian traders to inconveniences at the hands of customs officials and police; in March 1939, they were requested to surrender their goods and leave the country. The British Consulate General at Kashgar was boycotted and its couriers were molested along the route from India.[5]

A Russian loan of 5,000,000 gold rubles was negotiated in 1933–34, though the contract was not signed until May 16, 1935, owing to repeated protests from Nanking. According to Sheng, the Soviet Consul General assured him that in accordance with confidential instructions from Moscow, the loan would be granted if Sheng would be friendly with the Soviet Union and "anti-Japanese." Svanidze, Stalin's brother-in-law and President of the Soviet Bank for Foreign Trade, was sent to Sinkiang to sign the agreement. The loan was to be paid with livestock. There were no secret clauses, but what the Soviet Union had loaned turned out to be silver, not gold rubles, which could not be circulated.[6]

Soviet economic interests were closely linked with political activities. As a result of this loan, financial sections of the five Soviet consulates were reorganized as offices in charge of trade and all financial matters. Soviet advisers stationed in the office of the Commissioner of Finance, as well as in the local administrative agencies, exercised strict control over the financial affairs of this Chinese province. No checks could be drawn without their approval.

The upshot of all this was complete political domination. Under Soviet tutelage, Sheng geared his policies to the slogans of "anti-imperialism" and "kinship to Sovietism." Soviet advisers held key positions in his administration and became unchallenged masters in Sinkiang. The right-wing nationalists in the administration and in the army were purged. Spies and agents supplied a highly organized system of intelligence: liquidations and strange disappearances became the order of the day. Sinkiang became a police state on the Soviet model. The postmaster at Urumchi gave the following advice to Sven Hedin: "Never talk to anybody; let the others talk, listen, but appear indifferent; believe nobody—they are all liars, spies, informers and traitors.

[5] *The Times*, London, March 25, 1939.
[6] Interview with Sheng by an official of the Chinese Foreign Office, March 2, 1950.

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Any one may disappear at any time, and it is best not to ask where he has gone."[7]

Hypocrisy put the finishing touch on the picture. On January 22, 1935, Foreign Minister Hirota of Japan spoke in the Diet on the subject of Soviet encroachment in Sinkiang. Molotov replied to these charges in his speech to the Seventh All-Union Congress of the Soviets:

It remains for me to say a couple of words on the slanderous rumors about the sovietization of Sinkiang. . . . I consider it necessary to emphasize the real Soviet policy toward China: the Soviet Union considers the seizure of foreign territories incompatible with its policy, and is an absolute adherent of the independence, integrity, and sovereignty of China over all of her parts including Sinkiang.

III

Japan's invasion of China on July 7, 1937, opened the door to the completion of the Soviet design. Six weeks later the Soviet Union and China signed a pact of nonaggression. By June 16, 1939, Russia had granted China credits totalling U.S. $250,000,000—very helpful to China's war effort—and a commercial treaty signed on that date by A. L. Mikoyan and Sun Fo further strengthened Sino-Soviet friendship. The Soviets gave China more material assistance than did Britain and the United States together at this time. But in dealings with Soviet Russia, an offer of a nonaggression pact is a warning signal. Now that the U.S.S.R. and the National Government were on very friendly terms the conquest of Sinkiang went forward rapidly. In November 1940, a series of unconditional demands for the exploitation of the mines was presented to Sheng and signed by him as "Representative of the Government of Sinkiang," and by Bakulin and Karpov as "Representatives of the Government of the U.S.S.R." on November 26, 1940. This procedure of negotiating with a local governor for concessions which he had no power to grant was the one followed by the Japanese in China, and was, of course, utterly illegal. These demands were a closely-guarded secret, still largely unknown. The following are some of the most pertinent clauses:

ARTICLE 1. The Government of Sinkiang agrees to extend to the Government of U.S.S.R. exclusive rights to prospect for, investigate and exploit tin mines and their ancillary minerals within the territory of Sinkiang.

ARTICLE 2. The Government of U.S.S.R. will enjoy the following rights in the territory of Sinkiang:

(a) To exploit and investigate deposits of tin and its ancillary minerals and to make adequate geological and geographical surveys and carry on other work; . . .

(d) To utilize all natural resources to obtain power, with the right to install hydraulic power and other plants;

(e) To construct power stations, including hydraulic power stations, and to erect networks of transmission lines, transformers, etc.;

(f) To supply the needs of the concessions, the right to make use of all existing means of transportation in the territory of Sinkiang, the right to construct roads and necessary building equipment for the roads, including railways, and to organize and utilize all kinds of means of transportation; . . .

(h) To import without hindrance into the territory of Sinkiang all necessary engineering equipment and material, to repair and rebuild all machines and equip-

[7] "Silk Road," by Sven A. Hedin. New York: Dutton, 1938, p. 144–145.

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ment and parts thereof, and to transmit the same from one enterprise to another;

(j) To employ laborers in Sinkiang and to employ engineers, technicians and workers from the U.S.S.R.; . . .

ARTICLE 4. For the implementation of the provisions of this Agreement on Concessions, the Government of U.S.S.R. will establish a trust to prospect for and exploit tin mines and their ancillary minerals, to be known as "Sin-tin," enjoying all the rights and privileges of an independent juridical person. Its operations will be regulated by a constitution which will be enacted in accordance with the legislative procedures of the U.S.S.R. "Sin-tin" shall have the right to establish without hindrance branch offices, sub-branch offices, and agencies within the whole territory of Sinkiang.

ARTICLE 5. During the period of validity of the present Agreement, the Government of Sinkiang shall guarantee the acquisition of lands, including the felling of timbers, the mining of coal and areas for the procurement of building materials which may be necessary for the carrying on of the various kinds of works referred to in this Agreement. The Government of Sinkiang shall remove all the population residing in such areas as may have been allotted to "Sin-tin." Such areas of land shall be allotted on the application of "Sin-tin." . . .

ARTICLE 7. During the first five-year period, commencing from the day of the signature of this Agreement, "Sin-tin" shall pay the Government of Sinkiang 5 percent of the tin and its ancillary useful minerals mined in Sinkiang. . . .

On the other hand, the products to be paid to the Government of Sinkiang in accordance with Paragraph 1 of this Article shall be sold to the Government of the U.S.S.R.; at the price of delivery at the Soviet-Sinkiang border, the said price to be at par with the average annual price (the year preceding the sale) of the principal centers of the world market for tin and its ancillary useful minerals. . . .

ARTICLE 8. In compensation for its privilege of exemption from customs duties, "Sin-tin" shall contribute annually to the Government of Sinkiang a sum equivalent to 2 percent of the price of the products exported by "Sin-tin," the price to be fixed in accordance with the provisions of Article 7 of this Agreement. . . .

ARTICLE 10. "Sin-tin" shall have the right to deal with all its capital, to raise loans, to have current accounts with banks in either local or foreign currencies, to carry on within or without the territory of Sinkiang remittance and exchange operations; to exchange foreign currencies into Sinkiang currency, *et vice versa.*

ARTICLE 12. For the protection of its houses, buildings, factories, plants, godowns, etc. and to ensure the security of its transport service, "Sin-tin" shall have the right to establish armed guards.

ARTICLE 15. The period of validity of this Agreement shall be 50 years, commencing from the date of signature.[8] . . .

This document, imposed, we may note once more, when China was engaged in a life and death struggle with Japan and just after the Soviets had signed a nonaggression pact with China, may be supplemented with another which throws some light on the methods which the Soviet Government and its representatives Bakulin and Karpov used to force the governor of the province to accept these demands. Sheng has given the following account:

[8] Original agreement (photostatic copy in Russian) in "Soviet Economic Aggression in Sinkiang" (in Chinese), published by the Chinese Foreign Office, Taipei, Taiwan, 1950, p. 45–53.

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In September 1938, when I went to the Soviet Union and saw Stalin, I again brought up the question of my joining the Party. They were agreeable, however, that I should become a member of the U.S.S.R. Communist Party first and then have my membership transferred to the Chinese Communist Party. . . . But for a long time afterwards no one attended to the transfer, and I could not help becoming suspicious.

Unexpectedly, in November 1940, the Soviet Union sent an emissary to Sinkiang with a most confidential document addressed to me concerning the lease of the Sinkiang tin mines, the terms of which were most ridiculous and unreasonable, and most aggressive in character. At that time, I demanded that the terms be revised and that the duration of the lease be shortened. I was told by the emissary, however, that not a single word was alterable and that, being a member of the U.S.S.R. Communist Party, I should obey the orders of the Party and should struggle more vigorously in the interests of the Soviet Union.

The Altai rebellion was then in the making. Further, I was ill. Under the circumstances, I was obliged to affix my seal to the document. In addition, they wanted me to have the seals of the Provincial Government and the Border Defense Commissioner's Office attached to it. But I refused. This agreement was initiated and presented to me by the Soviet Government. It was, however, stated in the document that it was concurred to by the Provincial Government of Sinkiang, which of course was contrary to the facts. I demanded a correction, but was told that I should let it go and that I would understand the whole thing when I saw Stalin later on. I also demanded that the exploitation of the tin mines be made a joint Sinkiang-Soviet enterprise. To this the emissary said, I ought to remember on the one hand, that I was a member of the U.S.S.R. Communist Party, and that on the other during the rebellion of Ma Chung-ying, much of Soviet blood was shed in Sinkiang for which Russia had not yet been compensated.[9]

As early as 1935 the Russians had begun prospecting for oil at Tu Shan-tze, near Wusu, 235 miles west of Urumchi, without any written agreement with the provincial government. According to an estimate made in 1937, the oil deposits totalled 120,000,000 tons. Two years later a refinery was built, and, by the spring of 1942, 35 wells had been drilled with a daily production of 67.3 tons. Probably with a view to legalizing the undertaking, Dekanozov, the Vice Commissar for Foreign Affairs, presented Sheng with a series of demands for oil concessions on the occasion of a visit to Sinkiang in July 1942. The 18 articles included the following stipulations:

(1) The oil fields were to be owned jointly by a trust to be known as "Sinkiang-Soviet Oil Corporation," managed and controlled by a General Manager and a Chief Engineer, both of whom were to be appointed by the People's Commissariat for Petroleum Industry in Moscow.

(2) The U.S.S.R. would lend the provincial government a sum of money at 4.5 percent interest for a period of three years (April 1, 1942–April 1, 1945) to enable it to refund on specified dates half of the expenses for the equipment installed at Tu Shan-tze up to January 1, 1942.

(3) The amount to be refunded by the provincial government together with the interest would be used by the U.S.S.R. to buy cattle, wool and gold in Sinkiang, the export of which would be free of duty.

(4) The provincial government would guarantee the free use of land for the purpose of exploring for and exploitation of oil, as well as for free use of construction materials and labor. All machinery and materials imported from the

[9] Sheng's letter to Chiang Kai-shek dated July 7, 1942; *ibid.* p. 64–66.

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U.S.S.R. for the use of the Corporation would be exempt from custom and other duties.

(5) The People's Commissariat for Petroleum Industry at Moscow would enjoy the right of planning and giving technical assistance in the development of oil and its allied industries, for the dispatch of Soviet advisers and technicians and for the training of the necessary number of Chinese workers and cadres, the expenses of which were to be paid by the Corporation.

(6) One-half of the output would be purchased by the provincial government, the other half by the U.S.S.R. at a price to be agreed upon by both sides, the export of the output to be exempt from custom duties.

(7) The term of the agreement would be 25 years, to be renewed thereafter every five years as long as the assets of the Corporation were not redeemed by the provincial government. In the redemption of the assets, no foreign financial assistance would be permitted, nor could the rights be transferred or sold in whole or in part to the government, individuals or corporations of a third country.[10]

The move was not well timed. Contrary to Soviet expectations, the pressure thus brought on Sheng drove him closer to Chungking. He had been shocked and disillusioned by a series of events which included the murder of his brother and an alleged plot on his own life. He describes his response in the following words:

> The sincerity of my motives was not only unrewarded, on the contrary, my close affinity with the Soviets had been used, whenever possible, to bring destruction to Sinkiang.
>
> The many sporadic and abortive uprisings were cases in point. After investigation, every one of them was found to be a result of Soviet machination. The insurrection scheduled to take place at the time of the April 12th Conference (1942) was the most malicious and heart-rending of all. It was well timed and planned and participated in by a greater number of important politicians and soldiers than had ever taken part in any uprising before, by all the Soviet nationals in Sinkiang, including consuls, advisers and instructors, as well as all the Chinese Communist workers in Sinkiang. Its program was extremely ambitious. The blacklist not only included myself, but also all the important loyal political and military leaders. All were to be assassinated. The existing administration was to be overthrown and a Soviet régime, independent of the Chinese Government and under the wings of Soviets and the Chinese Communists, was to be instituted. . . . Fortunately, as a result of an investigation following the assassination of Brigade Commander Sheng Shih-ch'i, the plot was nipped in the bud.[11]

After the plot miscarried, Sheng waited for a suitable opportunity to throw off the Soviet yoke. By the end of June, the Soviet armies began their retreat in the Caucasus and their collapse seemed imminent. Sheng shifted his allegiance from Moscow to Chungking. On July 17, he wrote Molotov, then Soviet Commissar for Foreign Affairs, that since Sinkiang was a province of China, it would be more appropriate for the U.S.S.R. to negotiate directly with the National Government for the oil concessions. On August 20, Molotov reluctantly agreed.

A series of conferences on Sinkiang oil concessions were held, from October 1942 to March 1943, between Alexander Paniushkin, the Soviet Ambassador, and the Chinese authorities at Chungking. As might have been expected, no

[10] Original draft agreement (in Russian) on file in the Chinese Ministry of Economic Affairs, Taipeh; *ibid*, p. 82–87.

[11] Sheng's letter, *op. cit.* p. 61–62.

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progress was made in these protracted negotiations. Meanwhile, Sheng abrogated the tin-mines agreement, demanded that the Soviet concessionaires withdraw from Sinkiang, and arrested Communists and leftist officials in his administration.

In the circumstances, Moscow had no choice but to yield. On April 10, 1943, Sheng was informed by the Soviet Consul General that, on instructions from Moscow, all work on the tin mines would be stopped, all technical personnel withdrawn and all machinery dismantled. Similarly, Paniushkin abruptly broke off the oil negotiations, notifying the Chinese Foreign Office that all installations at Tu-Shan-tze, including the drilling and refining equipment, would be removed. The regiment of Soviet troops maintained at Hami was withdrawn to Outer Mongolia. The *Sovsintorg* (Soviet-Sinkiang Trade) and its various agencies were closed. All Soviet "advisers" disappeared.

IV

However, the Soviet evacuation was merely temporary—a tactical move. When the defeat of Nazi Germany was assured at the end of 1943, plans for the penetration of Sinkiang were put in action again. As usual, aggression was cloaked by a move to disarm suspicion. On November 2, 1943, the Soviets surprised the Chinese by offering to sell all the equipment of the oil wells which could not be moved for U.S. $2,012,630, and all buildings on the site for U.S. $490,000. The total purchase price was reduced to $1,700,000, which the Chinese Government, in February 1944, paid to the Chase Bank in New York to the credit of the Soviet State Bank. The Chinese Government hoped that this was the end of Soviet intervention in Sinkiang.

But trouble soon began again, this time in the areas rich with deposits of tungsten ore, one of the "ancillary" minerals stipulated in the tin-mines agreement. While a limited amount of tungsten comes from the tin districts its main source in Sinkiang is the Altai area, on the Chinese side of the Russian-Chinese border, as well as in the districts of Fu-yun (Kokotohai), south of Altai. It occurs on and near the surface, and can be mined by simple methods. The Chinese Government discovered that without its approval or even its knowledge, more than 150 tons of tungsten had been sent to the Soviet Union from April 1941 to April 1943. More than 60 engineers and technicians, together with 3,000 drafted miners, were engaged in this work, under cover of "geological surveys."

These areas became the scene of armed revolts by the non-Chinese population. While Moscow remained officially aloof, Soviet emissaries set up puppets, supplied ammunition to the rebels, and helped create border incidents. From 1944 to 1948, rebellions and riots broke out not only in the north, but also in the south of Sinkiang. On both sides of the Chinese-Soviet frontier, in the Tadjik, Kazakh and Kirghiz Republics of the U.S.S.R. as in Sinkiang, there are large masses of Moslems speaking the same Turki language and belonging to the same race. The situation was one inevitably breeding political unrest. But a brief review of events of the major outbreaks shows how the Soviets used the ethnic situation to further their aggressive purposes.

1. *Kazakhs' Revolt:* As soon as the tide of war on the Western front turned in favor of the Soviets, a revolt of the nomadic Kazakhs of the Altai

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area broke out in February 1944. In support of the rebellion led by Usman, the Kazakh chief, mysterious formations of Soviet airplanes based on Outer Mongolia severely bombed Chinese government troops. Supplied with arms and ammunition from Outer Mongolia and assisted by Outer Mongolian troops under the command of Soviet officers, Usman succeeded in wiping out the entire Chinese garrison of three regiments. Charging that Chinese troops had violated the territory of Outer Mongolia, the Tass news agency stated on April 3 that "the Soviet Government will be forced to give the Government of the Mongolian People's Republic every necessary help and support." The Chinese Government thereupon demanded an explanation from the Soviet Ambassador. None was offered.

Meanwhile, Vice President Wallace was sent on a special mission to Soviet Asia in the spring of 1944. It was reported at the time that it was on his advice that Sheng was removed, in July, from the governorship. With this gesture to the Soviets, China hoped that peace along the Sino-Soviet border would be restored.

2. *Ining Incident:* In spite of Sheng's removal, another revolt by the non-Chinese population occurred on November 7, 1944, in Ili near the Soviet border. Aided by forces from across the frontier, the rebels drove out the Chinese garrison and came within 70 miles of the capital. Thus, the whole of Ili-Tacheng-Altai—known as the "Three Areas," and rich in mineral resources—was now under Soviet control. A Soviet-oriented puppet régime known as the "Republic of Eastern Turkestan" was set up, headed by Ashmed Djan, who kept his Soviet citizenship and bore the Soviet name Kasimov.[12]

In the Sino-Soviet Treaty of August 14, 1945, the Soviet Union had pledged that "as to the latest events in Sinkiang, it has no intention of interfering with China's internal affairs." Usman, who at first coöperated with the Ili rebels but later broke with them and came over to the Chinese side, describes thus the Soviet rôle in the events which took place a month after the Treaty was signed:

> On September 6, 1945, 6,000 Ili troops arrived at Ch'eng-hua, the capital of Altai. They wore Russian uniforms and spoke Russian. . . . The troops were commanded by a Lieutenant-General Birkdorff and under him were two regimental commanders called Liesskin and Dostgonoff. I coöperated with these people until April 1, 1946, when I left for Pei-ta-shan. A Russian police chief called Sembayeff came with the Ili troops. They summoned me to a meeting in Ili and demanded that I bring all my Kazakh troops to Ili, while they garrisoned Altai themselves. This I refused to do. For this reason, and because they started to take Kazakh women to Ili, I broke with them. Another demand that I refused to comply with was that we should surrender all our arms. The Ili people also took away 28,600 ounces of gold from the Ashan Gold Mining Bureau which rightly belonged to the government. The Russians are now in charge of the gold and wolfram mines in Altai and are increasing production daily.[13]

3. *Raids on Southern Sinkiang:* In the autumn of 1945, there were unexpected air raids on posts and villages in the Chinese Pamirs and along the

[12] *Cf.* "Soviet Russia and the Far East," by David Dallin. New Haven: Yale University Press, 1948, p. 366.

[13] "Some Notes on the Kazakhs of Sinkiang," by Ian Morrison. *Royal Central Asian Journal,* January 1949, p. 70.

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frontier of southwestern Sinkiang. The raids were made by planes, based on Qizil Rabat, a military post in Soviet Tajikistan.[14] A revolt by the Tajiks threatened Kashgar, captured Kaghilik (Yeh-cheng) and invested Yarkand (Sache). Chinese officials in various posts were murdered and the Chinese garrison driven out. According to a British Consul General at Kashgar, a considerable number of the so-called rebels came from across the border, and the arms and ammunition for the revolt came from the same source.[15]

4. *Peitashan Affair:* It was Usman who reported to the Chinese Government how tungsten mines, and also gold mines, had been secretly exploited by the Russians with armed miners. Once he had turned against the Soviets they spared no effort to destroy him. An attack by the puppet régime compelled him to retreat to Peitashan (Baitik Bogda), and troops of Outer Mongolia were then ordered to cross the Chinese border in pursuit of his forces. The "Peitashan affair" was the result. On June 5, 1947, Outer Mongolian troops attacked the Chinese positions in support of the ground attack. When the Chinese Foreign Office charged that Soviet aircraft had taken part in the incident, the Tass news agency stated that the charges "did not correspond to the facts and constituted a provocative fabrication." In spite of this denial, fighting was resumed in July and again in January and February 1948. The area is more than 200 kilometers outside the Outer Mongolian border, and contains uranium deposits.

While all these attacks were going on—some intended to seize vital areas, others probably diversionary—the Soviets had resumed the extraction of oil and tungsten. Work in the oil fields was resumed on July 1, 1947, after Wusu had fallen into the hands of the rebels. New machinery from the Soviet Union was installed and a Russian Tartar appointed as General Manager. The daily output was reported to be 20 tons of gasoline and 30 tons of petroleum, all exported to Alma Ata via Ili and Holkutz. More intensive efforts were directed to the mining of tungsten and other metals in the "Three Areas." According to information received in 1948 by the Chinese Ministry of National Defense, operation of the tungsten mines in the districts of Wen-chuan and Po-lo went forward as follows: 1945, 150 tons extracted, with 3,000 workers; 1946, 450 tons with 10,000 workers; 1947, 1,000 tons with 20,000 workers. More than 1,000 Soviet technicians, 3,000 workers and 120 armed guards were employed in the districts of Fu-yun and Cheng-hua, bordering Outer Mongolia. Besides the tin and tungsten, deposits of diamonds, gold, bismuth, beryl, talc, asbestos, gypsum and quicksilver have been found. Samples of each metal or saline deposit were collected by Chinese refugees and identified by the National Resources Commission at Nanking. As early as November 4, 1946, China had proposed measures for Sinkiang-Soviet trade and economic coöperation, as a countermove against Soviet encroachment. This proposal remained unanswered until January 24, 1949, when the Soviet Consul General offered the Commissioner of Foreign Affairs at Urumchi an outline for a three-year trade agreement. The Soviet Union asked the privi-

[14] "The New Dominion," by Major N. L. D. McLean. *Royal Central Asian Journal,* April 1948, p. 133.

[15] "Mountains of Tartary," by Eric Shipton. London: Hodder and Stoughton, 1950, p. 52–55; also "Antique Land," by Diana Shipton. London: T. Brun, 1950, p. 129.

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lege of importing and exporting freely in Sinkiang. No corresponding privileges would be granted to China—a provision which meant that the monopolistic Soviet trade agency could impose any terms it wished on individual Chinese traders. The Soviets further proposed that a new 50-year agreement be concluded, setting up Sino-Soviet joint stock companies to explore and exploit the mineral and oil resources of Sinkiang. The U.S.S.R. would be granted rights not only to the resources already known, but also to those not yet explored. The proposal also specified that the general managers of these companies would be Soviet nationals appointed by Moscow.[16]

While China was anxious to develop trade relations with the Soviet Union, she did not want to hand over half the oil and mineral resources of Sinkiang. The negotiations dragged on from March to August—and then the story came abruptly to its climax. On September 25–26, 1949, the military and political leaders of Sinkiang severed relations with the Central Government and formally joined the Communists. What the Nationalist Government had refused, the Chinese Communists conceded. Mao Tse-tung's two months' visit in Moscow resulted in the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance. A Sinkiang mission headed by Seyfuddin, one of the Ili rebels and now Vice Chairman of the Sinkiang Provincial Government, had arrived at Moscow on January 30, 1950. On March 27 agreements for two Sino-Soviet joint stock companies were signed, one for oil and the other for non-ferrous and rare metals. Under the terms of these agreements, valid for 30 years, half of the minerals and petroleum extracted in Sinkiang will go to the U.S.S.R. China's sovereignty is thus officially relinquished. Details are, of course, buried in secret clauses, but it seems safe to assume that they follow the pattern of Soviet Russian demands in the past. Future events may bring them to light.

While the above agreements were taking shape, two other agreements were reported to have been concluded. An Indian source asserted that the Soviet Union had forced Communist China to sign a secret pact giving the Russians full control of the uranium-bearing areas. Such areas have been declared "closed territory" and only Soviet technicians, experts and workers are engaged in mining uranium. The ore reportedly is being dispatched to an atomic plant in Soviet Asia for processing.[17] Another agreement covers the construction of railway lines linking Sinkiang with the Turk-Sib railway. To that end, a railway line from Tacheng (Chuguchak) to Wusu is reported to be under construction. The Lanchow-Sinkiang Railway, a part of this network, is also being built from Lanchow northwestward. These lines will be a controlling factor in the development of Sinkiang. According to Soviet plans, Wusu will be the main junction point, from which one line will run from Ili to Alma Ata and another from Tacheng to Sergiopol.

With the Chinese Communists dominant on the mainland and with Soviet puppets at the head of the Provincial Administration, the Soviet Union is now master of Sinkiang.

[16] Telegram from the Commission of Foreign Affairs at Urumchi to the Chinese Foreign Office.

[17] "Communist New Deal in Sinkiang," by Amar Lahiri, *United Asia*, v. 3, no. 2, 1950, p. 141–144.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

By Henry L. Roberts

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General: Political, Military and Legal

SURVEY OF INTERNATIONAL AFFAIRS 1939–1946. AMERICA, BRITAIN, AND RUSSIA: THEIR CO-OPERATION AND CONFLICT, 1941–1946. BY WILLIAM HARDY MCNEILL. New York: Oxford University Press (for the Royal Institute of International Affairs), 1953, 819 p. $15.00.

Of all the volumes of the Survey of International Affairs covering the period of the war this is of greatest current interest. Tracing the rise and fall of the Grand Alliance from Pearl Harbor to the end of 1946, it undertakes to establish the links between the Second World War and the Cold War. Although the narrative—based wholly on published materials, especially the memoirs of the statesmen involved—is largely familiar, the author, an American historian, has done a commendable job of putting the story in perspective. Cautious in his interpretations, he is struck by a coalition's need for enemies to hold it together—a need which applied only somewhat less to the Anglo-American than to the Soviet-Western relationship.

THE PRESENT DANGER: FOUR ESSAYS ON AMERICAN FREEDOM. EDITED BY ALLEN MAXWELL. Dallas: Southern Methodist University Press, 1953, 99 p. $2.00.

Paul G. Hoffman, Gerald W. Johnson, Kenneth C. Royall and Henry M. Wriston write on the defense of freedom in the fields of business, press, law and education.

THE DILEMMA OF OUR TIMES. BY HAROLD J. LASKI. London: Allen and Unwin, 1952, 272 p. 18/.

A posthumous publication of an uncompleted manuscript. Dealing with the breakdown of the wartime Soviet-Western alliance, it is of considerably more interest in rounding out Laski's writings in this field than in providing any helpful diagnosis for the present crisis.

LE PRIX DE LA LIBERTÉ. BY FRED SIMSON. Paris: Berger-Levrault, 1953, 231 p. Fr. 540.

A report on NATO by a correspondent for a Swiss journal who visited the various installations and headquarters in Europe. (Swiss edition, "Wir Verteidigen Europa," Berne: Haupt, 1952.)

HISTOIRE DIPLOMATIQUE DE 1919 À NOS JOURS. BY J.-B. DUROSELLE. Paris: Dalloz, 1953, 744 p. Fr. 1800.

Though designed as a manual this history of the period from 1919 to 1951 is a solid and useful synthesis. While confining itself to the traditional limits of diplomatic history, and content to develop the narrative and to leave speculation to others, it is based on wide reading and acquaintance with the sources.

THE INCOMPATIBLE ALLIES. BY GUSTAV HILGER AND ALFRED G. MEYER. New York: Macmillan, 1953, 350 p. $5.00.

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Mr. Hilger, who served in the German Embassy in Moscow from 1923 to 1941, has perhaps a uniquely long record of diplomatic experience with the Soviet Union. These memoirs concerning inter-war German-Soviet relations, while containing no great revelations, are quite valuable in illuminating a number of phases of that relationship, especially the Rapallo connection and the strained amicability preceding the onslaught of June 1941.

THE ORIGINS OF THE WAR OF 1914. VOLUME II: THE CRISIS OF JULY 1914. FROM THE SARAJEVO OUTRAGE TO THE AUSTRO-HUNGARIAN GENERAL MOBILIZATION. By Luigi Albertini. New York: Oxford University Press, 1953, 727 p. $11.00.

This second volume of the late Italian historian's major study is limited to a minute unravelling of the events between the Sarajevo assassination and the Austrian general mobilization at the end of July 1914. For those interested in the intricacies of these fateful weeks it is a worthy companion piece to Bernadotte Schmitt's earlier (1930) study, with which it takes issue on several points of interpretation.

RUMOURS OF WARS. By A. J. P. Taylor. London: Hamish Hamilton, 1952, 262 p. 15/. (New York: British Book Centre, 1953, $3.25.)

Essays and reviews, with Mr. Taylor's customary dash of bitters, on a variety of topics in European and diplomatic history of the last century.

IMPERIAL COMMUNISM. By Anthony T. Bouscaren. Washington: Public Affairs Press, 1953, 256 p. $3.75.

Primarily a summary of Communist parties and activities around the world.

CHRISTIAN REALISM AND POLITICAL PROBLEMS. By Reinhold Niebuhr. New York: Scribner, 1953, 203 p. $3.00.

A collection of essays by a leading American theologian, dealing, among other things, with the illusion of world government, Communism and Socialism, and American foreign policy.

NATIONALISM AND SOCIAL COMMUNICATION. By Karl W. Deutsch. Cambridge: Technology Press, and New York: Wiley, 1953, 292 p. $5.00.

Utilizing techniques from a number of the social sciences, the author undertakes to develop a theory and methodology for the study of nationalism.

HOW NATIONS SEE EACH OTHER. By William Buchanan and Hadley Cantril. Urbana: University of Illinois Press, 1953, 220 p. $5.00.

An analysis of a poll conducted in nine countries in 1948 concerning the attitudes of individuals toward their own and other countries. While regarded as only a pilot study, some of the material presented is most interesting.

POLITICS, ECONOMICS AND WELFARE. By Robert A. Dahl and Charles E. Lindblom. New York: Harper, 1953, 557 p. $5.00.

A political scientist and an economist collaborate fruitfully in pursuit of the question, "What are the conditions under which numerous individuals can maximize the attainment of their goals through the use of social mechanisms?" Hostile to a "great debate" of opposing systems they are primarily concerned with investigating and classifying the various techniques which may be employed.

FREEDOM AND AUTHORITY IN OUR TIME. Edited by Lyman Bryson and Others. New York: Harper (for the Conference on Science, Philosophy and Religion in Their Relation to the Democratic Way of Life), 1953, 767 p. $6.00.

Some 75 participants prepared or discussed papers in the Twelfth Symposium of the Conference on Science, Philosophy and Religion.

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ATOMIC WEAPONS IN LAND COMBAT. By Colonel G. C. Reinhardt and Lieutenant Colonel W. R. Kintner. Harrisburg (Pa.): Military Service Publishing Co., 1953, 182 p. $3.95.

A first effort to analyze the tactical and battlefield employment of atomic weapons. Aimed primarily at problems facing a division commander.

THE MEN IN THE TROJAN HORSE. By Kurt Singer. Boston: Beacon Press, 1953, 258 p. $3.50.

Of spies and spy chiefs in the contemporary world. Most of the stories and personalities are largely familiar by now.

PATHWAYS IN INTERNATIONAL LAW. By Arthur K. Kuhn. New York: Macmillan, 1953, 240 p. $4.00.

Reflections in the form of a personal memoir, of the developing problems and practices in international law by a leading figure in the field.

LAW AND POLITICS IN THE WORLD COMMUNITY. Compiled and Edited by George A. Lipsky. Berkeley: University of California Press, 1953, 373 p. $6.00.

A group of distinguished authorities contribute to this symposium, which focuses to some extent on Hans Kelsen's pure theory of law but covers a wide range of problems in the international legal field.

THE SOCIAL IMPACT OF THE WARSAW CONVENTION. By Harold J. Sherman. New York: Exposition Press, 1952, 156 p. $3.00.

A criticism of the clauses of the Warsaw Convention on international transport by air limiting delictal liability of air carriers, and of the Lee decisions, which these clauses have involved. Bears on the issue of the federal treaty-making power.

General: Economic, Social and Cultural

PROBLEMS OF CAPITAL FORMATION IN UNDERDEVELOPED COUNTRIES. By Ragnar Nurkse. New York: Oxford University Press, 1953, 163 p. $3.00.

A concise but illuminating discussion of some of the basic conditions for economic progress in the poorer two-thirds of the world.

THE ECONOMIC IMPACT ON UNDER-DEVELOPED SOCIETIES. By S. Herbert Frankel. Cambridge: Harvard University Press, 1953, 179 p. $3.25.

Professor Frankel's profound skepticism about most economic and social development schemes, while perhaps too unrelieved, is a necessary antidote for much uncritical enthusiasm on this subject.

AID, TRADE AND THE TARIFF. By Howard S. Piquet. New York: Crowell, 1953, 358 p. $5.00.

What would be the effect—on imports, on American industries and on foreign countries—of suspending all U. S. tariff duties for a period of three to five years? In attempting to answer this question, the author has assembled detailed information on hundreds of tariff items, giving rates of duty, imports and domestic production. The answers tend to deflate the tariff as an element in American prosperity.

EUROPE AND THE UNITED STATES IN THE WORLD ECONOMY. By Robert Marjolin. Durham (N. C.): Duke University Press, 1953, 105 p. $2.00.

Lectures delivered in 1951 by the Secretary-General of the Organization for European Economic Cooperation.

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WELT VON MORGEN. By Ernst Wagemann. Düsseldorf: Econ-Verlag, 1952-53, 288 p.

A founder of the *Institut für Konjunkturforschung* here attempts some rather elaborate economic and sociological extrapolations to gain a glimpse of the future, which need not be Orwellian.

WORLD POPULATION AND PRODUCTION: TRENDS AND OUTLOOK. By W. S. Woytinsky and E. S. Woytinsky. New York: Twentieth Century Fund, 1953, 1268 p. $12.00.

This extremely important reference work is an encyclopedic compilation and analysis of information on the world's population, resources and production.

THE LIMITS OF THE EARTH. By Fairfield Osborn. Boston: Little, Brown, 1953, 238 p. $3.50.

The author of "Our Plundered Planet" turns to the related problem of the world's overpopulation, and the means of checking it or of increasing food supplies for it.

THE REFUGEE IN THE POST-WAR WORLD. By Jacques Vernant. New Haven: Yale University Press, 1953, 827 p. $6.00.

An extensive international survey of the refugee situation, together with a country-by-country description of the position of refugees and the legal and other regulations concerning them.

HUMAN BEHAVIOR IN THE CONCENTRATION CAMP. By Elie A. Cohen. New York: Norton, 1953, 295 p. $5.00.

A Dutch physician, who was himself a prisoner of Auschwitz for three years, attempts, with remarkable dispassion, to explain what happened in the concentration camps—to the inmates, and to their SS guards and tormentors.

CHRISTIAN FAITH AND COMMUNIST FAITH. Edited by D. M. Mackinnon. New York: St. Martin's Press, 1953, 260 p. $4.50.

A collection of essays by members of the Anglican Communion on two contrasting and conflicting faiths. Several contributions, including the editor's conclusions, are of exceptional comprehension and insight.

CHURCH AND SOCIETY. Edited by Joseph N. Moody. New York: Arts, 1953, 914 p. $12.00.

An extensive symposium on Catholic political and social thought since the French Revolution. Following a chapter on the Papacy, there are sections on France, Belgium, Germany, Central Europe, Spain and Latin America, England and the United States.

The Second World War

TRIUMPH AND TRAGEDY. By Winston S. Churchill. Boston: Houghton, 1953, 800 p. $6.00.

Finis coronat opus. With this volume Sir Winston concludes his great memoir-history on the theme "How the great democracies triumphed, and so were able to resume the follies which had so nearly cost them their life." Literarily perhaps less impressive than some of the preceding volumes, it covers the final and fateful steps from D-Day to the end of the war in Europe, steps which not only defeated Germany but set the stage for the Cold War.

UNITED STATES ARMY IN WORLD WAR II. THE WAR IN THE PACIFIC: THE FALL OF THE PHILIPPINES. By Louis Morton. Wash-

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ington: Department of the Army, Office of the Chief of Military History, 1953, 626 p. $5.25.

UNITED STATES ARMY IN WORLD WAR II: THE EUROPEAN THEATER OF OPERATIONS: LOGISTICAL SUPPORT OF THE ARMIES. VOLUME I: MAY 1941—SEPTEMBER 1944. By Roland G. Ruppenthal. Washington: Department of the Army, Office of the Chief of Military History, 1954, 616 p. $4.50.

Two further volumes in this extensive official history. Mr. Ruppenthal's study is the first of two dealing with the enormous problem of supplying material to the American armed forces in Europe. Mr. Morton deals with a far more controversial subject: the Japanese landing in the Philippines, the American withdrawal to Bataan, and the fall of Corregidor. As the author indicates in his note on sources, the documentation for this campaign still remains a problem for the historian.

FROM DOWN UNDER TO NIPPON. By General Walter Krueger. Washington: Combat Forces Press, 1953, 393 p. $6.50.

The story of the United States Sixth Army in the Second World War, by its commanding officer.

HITLER'S DEFEAT IN RUSSIA. By General Wladyslaw Anders. Chicago: Regnery, 1953, 267 p. $4.00.

General Anders finds the reasons for Germany's defeat in the East to be Hitler's mismanagement and Western material supplies to the Soviet Union. Much of the analysis is based on German military memoirs and the Nuremberg documents.

The United States

THE SECRET DIARY OF HAROLD L. ICKES: THE FIRST THOUSAND DAYS, 1933–1936. New York: Simon and Schuster, 1953, 738 p. $6.00.

This first volume of the massive diary kept by the late Secretary of the Interior covers the first term of the Roosevelt Administration. The author is as curmudgeonly as remembered, relates much Cabinet squabbling, but also catches that mood of great exhilaration and promise pervading the first phase of the New Deal.

VENTURES IN DIPLOMACY. By William Phillips. Boston: Beacon Press, 1953, 477 p. $5.50.

Memoirs of a distinguished professional diplomat whose career extends back to 1903. In the war Mr. Phillips was President Roosevelt's representative in India, then political advisor to SHAEF, and in 1946 member of the Anglo-American Commission on Palestine.

ROBERT M. LA FOLLETTE. By Belle Case La Follette and Fola La Follette. New York: Macmillan, 1953, 2 v. $15.00.

A richly documented, uncritical and naturally partisan biography of one of the great figures of the Progressive movement by his widow and his daughter.

AMERICA FIRST. By Wayne S. Cole. Madison: University of Wisconsin Press, 1953, 305 p. $3.50.

A well-documented and useful study of the America First Committee's opposition to Roosevelt's foreign policy in 1940 and 1941.

HIDDEN THREADS OF HISTORY: WILSON THROUGH ROOSEVELT. By Louis B. Wehle. New York: Macmillan, 1953, 300 p. $4.00.

The personal narrative of a lawyer who had long association with Franklin D. Roosevelt. Useful in adding to our information of the Wilson and New Deal eras.

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IDEALS AND SELF-INTEREST IN AMERICA'S FOREIGN RELATIONS. By Robert Endicott Osgood. Chicago: University of Chicago Press, 1953, 491 p. $6.50.

An analysis of American foreign policy in the twentieth century, with the aim of uncovering both the sources of past American conduct and the principles of future conduct, largely in terms of what the author takes to be the enduring conflict between universal ideals and national self-interest. The author tends to be on the "realist" side in this debate.

ADMINISTRATION IN FOREIGN AFFAIRS. By Arthur W. Macmahon. University: University of Alabama Press, 1953, 275 p. $3.50.

A professor of public administration discusses the adjustments required in our conduct of foreign affairs in an era when, for the first time, "the American people are asked to have a sustained interest in situations which they can influence, perhaps decisively, but never fully control."

BY LAND AND BY SEA. By Samuel Eliot Morison. New York: Knopf, 1953, 359 p. $5.00.

A collection of an eminent American historian's shorter pieces over the last 30 years.

THE AMERICAN ROAD TO WORLD PEACE. By Sir Alfred Zimmern. New York: Dutton, 1953, 287 p. $4.00.

An authority on the League of Nations considers, somewhat choppily, the rôle which the size, power and political system of the United States seems to require that it play in promoting a more decent international order.

WHAT EUROPE THINKS OF AMERICA. Edited by James Burnham. New York: Day, 1953, 222 p. $3.50.

An interesing symposium of European views. All the contributors are vigorously anti-Communist, favorable to the United States, but far from uncritical.

THE FEDERAL LOYALTY-SECURITY PROGRAM. By Eleanor Bontecou. Ithaca: Cornell University Press, 1953, 377 p. $5.00.

This substantial contribution to the Cornell Studies in Civil Liberty deals with the background, organization, operation and results of the security-loyalty program in the Federal Government. As the author states, the terms of reference of the study are the civil liberties issues involved in this program.

THE INTERNATIONAL LAW STANDARD IN TREATIES OF THE UNITED STATES. By Robert Renbert Wilson. Cambridge: Harvard University Press, 1953, 321 p. $4.50.

An able if quite specialized monograph investigating the way in which treaty engagements of the United States have been, expressly or otherwise, related to "international law."

LOS ESTADOS UNIDOS Y SU PRESIDENTE. By José M. Massip. Barcelona: Ediciones Destino, 1952, 330 p. Ptas. 100.

A survey, by a prominent Spanish journalist, of American life and politics.

EMPLOYMENT AND WAGES IN THE UNITED STATES. By W. S. Woytinsky and Associates. New York: Twentieth Century Fund, 1953, 777 p. $7.50.

This valuable, comprehensive and statistically rich survey of the American labor force comprises four principal sections: the theoretical and historical background of wages and wage negotiations; the institutional setting of collective bargaining

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and wage determination; the problems of employment and unemployment; and the problem of wage rates and earnings. A concluding chapter includes a discussion of recommendations in the area of policy, private and public.

A STUDY OF MONEYFLOWS IN THE UNITED STATES. By Morris A. Copeland. New York: National Bureau of Economic Research, 1952, 579 p. $7.50.

A massive monograph on the intricate problem of moneyflows in the United States in the years 1936-1942.

Western Europe

FIRE IN THE ASHES. By Theodore H. White. New York: Sloane, 1953, 405 p. $5.00.

An able survey of postwar Western Europe, its relations with the United States and the effort to rebuild the Continent's strength and vitality. An experienced journalist, Mr. White has done the requisite amount of legwork; he has also read and thought a great deal.

THE TEMPER OF WESTERN EUROPE. By Crane Brinton. Cambridge: Harvard University Press, 1953, 118 p. $2.50.

Relatively optimistic lectures considering Western Europe's persistent vigor and continuity.

UNITY AND DIVERSITY IN EUROPEAN LABOR. By Adolf Sturmthal. Glencoe (Ill.): Free Press, 1953, 237 p. $3.75.

An introduction, but only that, to the European labor movements in this century.

THE IRISH AND CATHOLIC POWER. By Paul Blanshard. Boston: Beacon Press, 1953, 375 p. $3.50.

In this third of his excursions against contemporary Roman Catholicism as a political force, Mr. Blanshard turns to the country which he regards as the true source of American Catholicism. While he has dealt with an interesting subject, his treatment is strongly affected by his own involvement in the controversy.

FRENCH CORPORATIVE THEORY, 1789-1948. By Matthew H. Elbow. New York: Columbia University Press, 1953, 222 p. $3.75.

A useful monograph on the development of French theories of corporativism in the nineteenth and twentieth centuries, concluding with the brief effort at application under Pétain.

L'ÉCONOMIE DE L'UNION FRANÇAISE D'OUTRE-MER. Paris: Sirey, 1952, 357 p. Fr. 760.

A collection of articles treating the subject regionally and topically.

DES PROBLÈMES DE DROIT JUDICIAIRE QUE POSE L'UNION ÉCONOMIQUE FRANCO-SARROISE. By Eugène Schaeffer. Paris: Librairie Générale de Droit, 1953, 304 p. Fr. 1200.

A technical inquiry into some very tricky legal issues.

JEAN DE LATTRE, MARÉCHAL DE FRANCE. Paris: Plon, 1953, 409 p. Fr. 900.

A book of obituary tributes—which create a picture of surprising clarity.

CARNETS D'UN CAPTIF. By André François-Poncet. Paris: Fayard, 1952, 426 p. Fr. 800.

France's last Ambassador in Berlin before the war here recounts his wartime experiences in a German camp for distinguished prisoners and hostages.

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L'AMIRAL DARLAN PARLE. By Alain Darlan. Paris: Amiot-Dumont, 1953, 316 p. Fr. 950.

Journal notes of the late French admiral, together with other documents and conversations with his son, who prepared this book.

LA NEUTRALITÉ DE LA SUÈDE. By Francis La Ruche. Paris: Nouvelles Éditions Latines, 1953, 221 p. Fr. 700.

A Paris dissertation—graded *Très Bien*—dealing with the motives for, and the problems arising from, Sweden's policy of neutrality in the decade 1939-1949.

THE SCANDINAVIAN YEAR BOOK FOR 1953. London: Dawson, 1953, 696 p. 30/.

A useful general "guide to commerce, industry and tourism in Denmark, Norway and Sweden."

THE NEMESIS OF POWER: THE GERMAN ARMY IN POLITICS 1918-1945. By John W. Wheeler-Bennett. New York: St. Martin's Press, 1953, 829 p. $12.00.

An outstanding historian of near-contemporary affairs here analyzes the fateful and ultimately suicidal rôle of the army in German politics under Weimar and Hitler. Possible analogies between those days and the present are indicated but not over stressed. Though some of the ground has been previously covered by Walter Görlitz in "Der Deutsche Generalstab" and Telford Taylor in "Sword and Swastika," the book, which is exceptionally well written, is an important if not definitive contribution to this question.

HITLER'S SECRET CONVERSATIONS 1941-1944. New York: Farrar, Straus, 1953, 597 p. $6.50.

This significant record of many of Hitler's private conversations with his entourage between 1941 and 1944 is about twice as extensive as a previous selection of these talks (H. Picker, "Hitlers Tischgespräche im Führerhauptquartier 1941–42," noted here July 1952). The book is introduced by a stimulating essay on Hitler's mind by H. R. Trevor-Roper.

HIMMLER. By Willi Frischauer. Boston: Beacon Press, 1953, 269 p. $3.75.

The author of a biography of Goering here turns to the chief of Hitler's SS (though Heydrich emerges as the real genius of that organization). Himmler's personality remains elusive, however, perhaps because he is properly a figure for the psychopathologist, or perhaps he represents that final horror—the bland perversion of an "average" person in a totalitarian movement.

DER LAUTLOSE AUFSTAND. Edited by Günther Weisenborn. Hamburg: Rowohlt, 1953, 348 p.

GEIST DER FREIHEIT. By Eberhard Zeller. Munich: Rinn, 1952, 395 p.

20. JULI 1944. Compiled by Hans Royce. Bonn: Köllen, 1953, 216 p.

Three books on the German opposition to Hitler. The first is largely a documentary collection concerning the actions and fate of the variety of groups, circles and movements which, in one fashion or another, worked against the Nazis between 1933 and 1945. The second is principally concerned with tracing the history of the abortive effort of July 20, 1944, the central figure of which was Count Claus von Stauffenberg. The third is a rather loosely organized assortment of articles and documents relating to the same attempt and its aftermath.

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GERMANY: KEY TO PEACE. By James P. Warburg. Cambridge: Harvard University Press, 1953, 344 p. $4.75.

Mr. Warburg reiterates his criticism of the trend of United States policy toward Germany since the war and proposes a program for an "All-German settlement."

GOVERNING POSTWAR GERMANY. By Edward H. Litchfield and Associates. Ithaca: Cornell University Press, 1953, 661 p. $7.75.

A symposium of essays dealing with the development of governments in Germany since the war, the process and function of these governments and the reëmergence of political life. The authors have themselves been more or less closely associated with these issues, either as administrators or scholars.

SOZIALDEMOKRATIE UND NATION. By Erich Matthias. Stuttgart: Deutsche Verlags-Anstalt, 1952, 363 p.

An interesting history of the reconsideration and modification of the German social democratic ideology during the period 1933-1938, when the exiled party leadership was in Prague.

THE FINAL SOLUTION. By Gerald Reitlinger. New York: Beechhurst Press, 1953, 622 p. $6.00.

A detailed inquiry into the actual organization and administration of the Nazis' program for exterminating the Jews of Europe.

NÜRNBERG. By August von Knieriem. Stuttgart: Klett, 1953, 573 p.

A substantive, critical examination of the Nuremberg trials by the former Chief Counsel of I. G. Farben, who was himself among the defendants in the trial of that concern.

ZWISCHEN PETERSBURG UND WASHINGTON. By Friedrich von Prittwitz und Gaffron. Munich: Isar Verlag, 1952, 238 p.

Memoirs of a German diplomat, ambassador to the United States between 1928 and 1933, who left the service after Hitler came to power.

THE PRISONER OF OTTAWA: OTTO STRASSER. By Douglas Reed. London: Cape, 1953, 272 p. 12/6.

A plea on behalf of an early Nazi who broke with Hitler, fled to Canada and has since been refused permission to return to Germany.

WE CHOSE TO STAY. By Lali Horstmann. Boston: Houghton, 1954, 206 p. $3.00.

A sensitive and restrained account of the experiences of the Soviet occupation in Eastern Germany. The author was the wife of a retired diplomat. The introduction is by Harold Nicolson.

IN THE TWILIGHT OF SOCIALISM. By Joseph Buttinger. New York: Praeger, 1953, 577 p. $6.00.

A detailed, sometimes quarrelsome account of the Austrian Socialist underground opposition to Dollfuss and Schuschnigg, by one of the leading participants.

THE UNITED STATES AND ITALY. By H. Stuart Hughes. Cambridge: Harvard University Press, 1953, 256 p. $4.00.

This addition to the American Foreign Policy Library is an intelligent, well-written and succinct—indeed, too brief—survey of a nation deceptively familiar, but really unkown, to most Americans.

AN AUTUMN IN ITALY. By Sean O'Faolain. New York: Devin-Adair, 1953, 207 p. $3.50.

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The qualities of Mr. O'Faolain's mind seem singularly appropriate for recording and presenting impressions of a recent trip to Southern Italy and Sicily. (English edition, "South to Sicily," London: Collins, 1953, 222 p. 16/.)

TRIESTE ED I SUOI PROBLEMI. By Giorgio Roletto. Trieste: Borsatti, 1952, 367 p.

Primarily a presentation of the economic problems and prospects of Trieste.

SPAIN IN THE MODERN WORLD. By James Cleugh. New York: Knopf, 1953, 339 p. $4.75.

In this survey, which perhaps attempts to cover too many topics, Mr. Cleugh, a British journalist, is primarily concerned with giving the reader a sympathetic understanding of the mood and meaning of present-day Spain. Friendly to the Franco régime, he holds that Spain will, and should, play an increasingly important part in world politics.

DE ESTRUCTURA ECONÓMICA Y ECONOMÍA HISPANA. By Román Perpiñá. Madrid: Rialp, 1952, 478 p. Ptas. 75.

Pieces on economic theory and on the history and structure of the Spanish economy. The author is professor at the University of Madrid.

ALZAMIENTO EN ESPAÑA. By B. Félix Maíz. Pamplona: Gomez, 1952, 329 p. Ptas. 55.

A diary of the Spanish Civil War, appropriately dedicated to Franco.

EL MOVIMIENTO POLITICO ESPAÑOL. By Raimundo Fernandez-Cuesta. Madrid: Ediciones Prensa del Movimiento, 1952, 290 p. Ptas. 40.

Articles and speeches from the years 1950–1952, by a prominent Spanish Falangist.

EL ALMA EN PENA DE GIBRALTAR. By José Pla Cárceles. Madrid: Morata, 1953, 279 p. Ptas. 40.

A review of Spain's loss of Gibraltar—a loss, in the author's view, which time will never heal. Very little on contemporary developments.

Eastern Europe

A STUDY OF BOLSHEVISM. By Nathan Leites. Glencoe (Ill.): Free Press, 1953, 639 p. $6.50.

An ambitious effort to portray the spirit of the Bolshevik élite, especially in regard to its conception of political strategy. Although an analysis resting, as this does, largely on doctrinal pronouncements raises some serious problems of interpretation, the study is far more comprehensive and well-rounded than the previously published summary ("The Operational Code of the Politburo," noted here July 1951). Of particular interest is an introductory essay, "The Politburo and the West."

THE DYNAMICS OF SOVIET SOCIETY. By W. W. Rostow in Collaboration with Alfred Levin. New York: Norton, 1953, 282 p. $3.95.

An interesting effort by an intelligent non-expert to pull together the research of Russian specialists into some meaningful pattern that might aid the "harried official" and "worried citizen." The product is uneven—some stimulating theses which somehow stand apart from the body of exposition.

LA PUISSANCE DANS L'OMBRE, OU LE FOSSOYEUR DU COMMUNISME. By G. E. Akhminov. Paris: Les Iles d'Or (Plon), 1952, 371 p. Fr. 750.

A study of Soviet power, its political bases and weaknesses. In the author's view

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the struggle between the Party and the "technical intelligentsia" is a serious source of strain and is a point at which Western political warfare should be directed.

THE COMMUNIST CONSPIRACY. By Stephen King-Hall. London: Constable, 1953, 239 p. 15/. (New York: Macmillan, $3.00.)

A primer of Soviet methods and intentions, an "unmasking operation."

SOVIET MILITARY DOCTRINE. By Raymond L. Garthoff. Glencoe (Ill.): Free Press, 1953, 587 p. $7.50.

This study, published under the auspices of the Rand Corporation, is an extended analysis of the Soviet "principles of war": the basic military doctrines, their strategic and tactical application, and their bearing on air, sea and partisan operations. An important contribution to the subject.

LAW AND SOCIAL CHANGE IN THE U.S.S.R. By John N. Hazard. London: Stevens (for the London Institute of World Affairs), 1953, 310 p. 25/. (Toronto: Carswell, $4.50.)

Reflections by a student of Soviet law on the manner in which the formulæ of the law and the institutions of the lawyer have been utilized over the course of time to achieve political ends.

SOVIET POLICY IN THE FAR EAST, 1944–1951. By Max Beloff. New York: Oxford University Press (for the Royal Institute of International Affairs), 1953, 278 p. $4.00.

Mr. Beloff, who has given us an admirable history of Soviet foreign policy in the inter-war period, is less successful in the present study. Able and responsible in his treatment, he is hampered by the nearness of the subject and by the problem of sources.

THE SECRET HISTORY OF STALIN'S CRIMES. By Alexander Orlov. New York: Random House, 1953, 366 p. $4.50.

A former NKVD official gives his account of the great purges of the 1930's, which he interprets as a pure frame-up from start (Kirov's murder) to finish. A significant, though at many points unverifiable, addition to our knowledge of this weird convulsion.

THE TERROR MACHINE. By Gregory Klimov. New York: Praeger, 1953, 400 p. $4.00.

Experiences and observations of a former Soviet officer who from 1945 to 1947 was in charge of the industrial branch of the Soviet Economic Administration in Germany. Of interest for the light it throws on the Soviet military bureaucracy, on occupation policy and on the motives for Soviet defection.

OUR SECRET ALLIES: THE PEOPLES OF RUSSIA. By Eugene Lyons. New York: Duell, and Boston: Little, Brown, 1953, 376 p. $4.50.

Because of the complete abyss between ruler and ruled in the Soviet Union, it is argued, the Russians and the satellite peoples may be counted our allies. Indeed, Mr. Lyons contends they must be so counted since only with their aid can we win the Cold War, the sole alternative to a general hot war.

CRISIS IN THE KREMLIN. By Maurice Hindus. Garden City: Doubleday, 1953, 319 p. $3.95.

This crisis is between the desires of the Russian people and the plight their rulers have placed them in. Mr. Hindus still hopes, however, for a transformation of the régime.

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RUSSIAN ASSIGNMENT. By Vice Admiral Leslie C. Stevens (Ret.). Boston: Atlantic (Little, Brown), 1953, 568 p. $5.75.

Admiral Stevens was American Naval Attaché in Moscow during the years 1947–49. A sensitive observer and knowing the language, he has succeeded in setting down in his diary, the basis of the book, a most vivid and perceptive record of his experiences.

THE SHADOW OF POWER. By Chingis Guirey. Indianapolis: Bobbs-Merrill, 1953, 315 p. $4.00.

The son of a Circassian cavalry officer and himself a former U. S. Army liaison officer, Mr. Guirey describes his experiences with Soviet authorities from 1945 to 1947, in Austria and Moscow. Some interesting observations, with a perceptible disapproval of Great Russians as such.

PUT' RUSSKOGO OFITSERA. By Anton Ivanovich Denikin. New York: Chekhov Publishing House, 1953, 382 p. $2.75.

Best known for his rôle in the Russian Civil War, General Denikin died before he could complete these memoirs, which extend only to the Brusilov offensive of 1916.

THE IMPACT OF RUSSIAN CULTURE ON SOVIET COMMUNISM. By Dinko Tomasic. Glencoe (Ill.): Free Press, 1953, 287 p. $4.50.

The "power-seeking" Horsemen of the Steppes and the "power-indifferent" Old Slavonic Plowmen somehow combine to produce not only the Great Russian society but also the expansive power of Bolshevism.

RUSSIA: A HISTORY AND AN INTERPRETATION. By Michael T. Florinsky. New York: Macmillan, 1953, 2 v. $15.00.

An intensive and well-digested survey of the course of Russian history from the Kievian period to the establishment of Bolshevik power in 1918. Mr. Florinsky's study is firmly grounded in earlier scholarship, as is particularly nicely demonstrated by his illuminating discussion of conflicting interpretations of the Russian past.

UKRAINE UNDER THE SOVIETS. By Clarence A. Manning. New York: Bookman Associates, 1953, 223 p. $3.50.

Interpreting the Ukraine as essentially a "laboratory" for future Communist conquest, the author follows the process of denationalization pursued since 1918.

CAUCASIAN BATTLEFIELDS. By W. E. D. Allen and Paul Muratoff. New York: Cambridge University Press, 1953, 614 p. $14.00.

An impressive military history of a century of Russian-Turkish conflicts, 1828–1921, along the Caucasus frontiers. Of interest largely to the military specialist; little politics or diplomacy.

SOVIET EMPIRE. By Olaf Caroe. New York: St. Martin's Press, 1953, 300 p. $5.00.

The author of a study on the Middle East ("Wells of Power," noted here January 1952) Sir Olaf now writes with discernment and sympathy of the history and the recent fate of the Turkish peoples in Soviet Central Asia.

SUOMEN MARSALKKA VAPAAHERRA GUSTAF MANNERHEIM. By Erik Heinrichs and Others. Helsinki: Otava, 1953, 173 p. M. 700.

Mannerheim as seen by 17 of his associates.

LA POLOGNE DE PILSUDSKI. By Jules Laroche. Paris: Flammarion, 1953, 233 p. Fr. 600.

Diplomatic memoirs of the French ambassador in Warsaw, from 1926 to 1935. A useful companion to the memoirs of Léon Noël, Beck and Szembek.

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YOUGOSLAVIE: TERRE D'EXPÉRIENCE. By Jules Moch. Monaco: Éditions du Rocher, 1953, 340 p. Fr. 690.

A leading French Socialist's description and analysis of Tito's Jugoslavia, as of late 1952 and early 1953. The picture is generally favorable and the author is interested in the possible avenues of evolution of this deviant Communist régime.

MIHAILOVIC, HOAX OR HERO? By Albert B. Seitz. Columbus (Ohio): Leigh House, 1953, 143 p. $2.95.

Recollections of an O.S.S. officer attached to the Chetniks. Very favorable to Mihailovic.

THE CASE OF CARDINAL ALOYSIUS STEPINAC. By Richard Pattee. Milwaukee: Bruce, 1953, 499 p. $5.50.

A defense of the Metropolitan of Croatia against the charges presented by the Jugoslav Government.

The British Commonwealth of Nations

CALL BACK YESTERDAY: MEMOIRS 1887–1931. By Hugh Dalton. London: Muller, 1953, 330 p. 21/.

This first volume of stimulating and quite unbumptious memoirs by an Old Etonian become Labor M.P. and Cabinet Minister carries Mr. Dalton's career up to the end of the second Labor Government in 1931.

STEMMING THE TIDE. By Winston S. Churchill. Boston: Houghton, 1954, 379 p. $5.00.

A selection of the Prime Minister's speeches in 1951 and 1952.

DIPLOMATIC TWILIGHT, 1930–1940. By Sir Walford Selby. London: Murray, 1953, 210 p. 16/. (Hollywood-by-the-Sea, Fla.: Transatlantic Arts, $3.85.)

Brief but revealing memoirs by the British Minister to Austria at the time of the Dollfuss assassination, and Ambassador to Portugal at the outbreak of war.

THE RULING FEW. By Sir David Kelly. London: Hollis, 1952, 449 p. 25/. (New York: British Book Centre, 1953, $4.50.)

Intelligent reflections on an extended diplomatic career by the former British Ambassador to the Soviet Union. As the title indicates, it is the author's belief that the function of the diplomat is to size up and maintain communication with the few who rule a country regardless of its form of government.

WE TOO CAN PROSPER. By Graham Hutton. New York: Macmillan, 1953, 248 p. $2.75.

A survey of the findings of the teams sent out by the Anglo-American Council on Productivity to discover the reasons why American output is expanding so much more rapidly than that of Britain. Included are some recommendations for boosting the British level.

PROPHECY OF FAMINE. By H. J. Massingham and Edward Hyams. London: Thames, 1953, 192 p. 12/6.

England, the authors contend, faces eventual starvation and should return to the land.

THE EMPIRE AND COMMONWEALTH YEAR BOOK 1953–4. Edited by Ronald S. Russell. London: Rolls (for the Empire Economic Union), 1953, 453 p. 45/.

A useful reference work presenting statistical and other information on all the

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Commonwealth countries as well as economic information relating to the Commonwealth as a whole.

The Middle East

THE ARAB WORLD. By Nejla Izzeddin. Chicago: Regnery, 1953, 412 p. $6.50.
The author, a Druse from Lebanon, educated in the United States, writes with insight and pride of the Arab world, its recent problems and present aspirations.

TOMORROW'S EGYPT. By Mahmoud Kamel. Cairo: Eastern Press, 1953, 134 p.
Principally proposals for increasing the national income, with some side remarks about the Sudan.

PARLIAMENTS AND PARTIES IN EGYPT. By Jacob M. Landau. Tel Aviv: Israel Publishing House (for the Israel Oriental Society), 1953, 212 p. £I 3.
A doctoral dissertation tracing the development of parliamentary institutions and political parties in Egypt since 1866. Extensive use of Arabic sources.

STATE IN THE MAKING. By David Horowitz. New York: Knopf, 1953, 349 p. $4.50.
The story of the diplomatic negotiations from 1946 to 1948 concerning the Palestine issue, from the Zionist side, by one of the negotiators, subsequently Director General of Israel's Ministry of Finance.

REBIRTH AND DESTINY OF ISRAEL. By David Ben Gurion. New York: Philosophical Library, 1954, 539 p. $10.00.
A collection of essays and addresses over the period 1915 to 1952.

ISRAEL BETWEEN EAST AND WEST. By Raphael Patai. Philadelphia: Jewish Publication Society, 1953, 348 p. $4.50.
An effort to analyze the relations and tensions between the Israeli citizens of Western origin and those from Eastern or Arab countries.

WHAT PRICE ISRAEL. By Alfred M. Lilienthal. Chicago: Regnery, 1953, 274 p. $3.95.
The author, an American Jew, is critical both of Zionism and of the political positions and methods adopted by the Zionists concerning the establishment of Israel and the new state's relation to Jewish communities in other lands.

TURKIYEDE SIYASI PARTILER. By T. Z. Tunaya. Istanbul: Dogan Kardes Yayinlari, 1952, 799 p. £T 16.
"Political parties in Turkey, 1859–1952;" a reference book.

ABADAN. By Norman Kemp. London: Wingate, 1953, 270 p. 18/.
A journalist's account of the goings-on in Abadan at the height of the Iranian oil dispute in 1951.

PERSIAN ADVENTURE. By Anne Sinclair Mehdevi. New York: Knopf, 1953, 271 p. $3.50.
A Kansas-born wife of a Persian writes humorously of her life with her husband's family, perhaps not a representative one.

South and Southeast Asia

ASIA AND WESTERN DOMINANCE. By K. M. Panikkar. New York: Day, 1954, 530 p. $7.50.

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A prominent Indian historian and diplomat surveys what he calls the Vasco Da Gama Epoch of Asian History—now ended. Of particular interest for its perspective, from which, for example, the war of 1914–18 is seen as the European Civil War.

ASIAN NATIONALISM AND THE WEST. Edited by William L. Holland. New York: Macmillan (for the International Secretariat, Institute of Pacific Relations), 1953, 449 p. $5.00.

A symposium, including three extended studies: George McT. Kahin on Indonesian politics and nationalism, Philippe Devillers on Vietnamese nationalism and French policies, and T. H. Silcock and Ungku Abdul Aziz on nationalism in Malaya.

SOUTHEAST ASIA IN THE COMING WORLD. Edited by Philip W. Thayer. Baltimore: Johns Hopkins Press, 1953, 306 p. $4.75.

A symposium of 22 papers on contemporary political, economic and social, and cultural conditions.

AMBASSADOR'S REPORT. By Chester Bowles. New York: Harper, 1954, 415 p. $4.00.

Mr. Bowles, who was American Ambassador to India for 18 months in 1951–1953, reports capably and with imagination on his mission. In general the work deals less with issues of diplomacy than with the more fundamental problems of twentieth-century Asia.

INDIA AND THE AWAKENING EAST. By Eleanor Roosevelt. New York: Harper, 1953, 237 p. $3.00.

Mrs. Roosevelt's report on her trip to India and the Middle East in the spring of 1952.

IN THE MINDS OF MEN. By Gardner Murphy. New York: Basic Books, 1953, 306 p. $4.50.

As part of the UNESCO work on "social tensions," this book brings together the results of a field inquiry made in 1950, regarding tensions in India—in the village, between castes, and between Moslems and Hindus.

THE SIKHS. By Khushwant Singh. London: Allen and Unwin, 1953, 215 p. 16/. (New York: Macmillan, $3.75.)

A brief history of the Sikhs, who, in the author's view, have reached the last chapter of their history and are destined for oblivion as a separate religious-social entity.

The Far East and Pacific Ocean

THE PROMISE THAT IS NEW CHINA. By K. T. Shah. Bombay: Vora, 1953, 342 p.

The diary of a visit to China in 1952 by an Indian economist and trade union delegate. Altogether favorable to the régime and markedly anti-American.

MODERN CHINA'S FOREIGN POLICY. By Werner Levi. Minneapolis: University of Minnesota Press, 1953, 399 p. $5.50.

An effort, if not a particularly illuminating one, to trace the history of China's foreign policy from the Opium War to the Korean conflict.

FIVE GENTLEMEN OF JAPAN. By Frank Gibney. New York: Farrar, Straus, 1953, 373 p. $4.00.

A thoughtful, informed, and pleasantly written effort to interpret Japanese society and the Japanese character through portraits of five individuals, the Emperor, a high naval officer, a journalist, a farmer and a steel worker.

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JOURNEY BY JUNK. By Willard Price. New York: Day, 1953, 317 p. $4.50.
Travels through Japan's Inland Sea, together with pessimistic observations about the results of American occupation and the future of Japan which the author fears to be reverting to plans of empire.

I WAS A CAPTIVE IN KOREA. By Philip Deane. New York: Norton, 1953, 253 p. $3.50.
The grim report of a correspondent for the London *Observer* who was captured in July 1950 and released nearly three years later.

Africa

AFRICA: A STUDY IN TROPICAL DEVELOPMENT. By L. Dudley Stamp. New York: Wiley, 1953, 568 p. $8.50.
An able textbook on the economic and social geography of the whole continent.

L'INDUSTRIALISATION DE L'AFRIQUE. By Ivan du Jonchay. Paris: Payot, 1953, 344 p. Fr. 1100.
A broad survey of African resources and potential in energy, raw materials, industrial equipment, transport, and manpower.

THE NEW WEST AFRICA. By F. Le Gros Clark and Others. London: Allen and Unwin, 1953, 184 p. 15/. (New York: Macmillan, 1954, $3.50.)
Chapters on self-government, economic problems and the conditions of technical progress primarily with respect to Nigeria and the Gold Coast. Generally Socialist in outlook, and highly critical of most British past policies, public and private.

Latin America and the West Indies

LA PRÁCTICA DEL HISPANOAMERICANISMO. By Enrique V. Corominas. Madrid: Ediciones Cultura Hispanica, 1952, 390 p. Ptas. 60.
Largely concerned with the background, formation and functions of the Organization of American States.

A SERGEANT NAMED BATISTA. By Edmund A. Chester. New York: Holt, 1954, 276 p. $3.50.
A brief but repetitious story of the Cuban who has two successful *coups d'état* to his record, by an American journalist and friend.

TURRIALBA. Edited and Directed by Charles P. Loomis and Others. Glencoe (Ill.): Free Press, 1953, 288 p. $3.50.
An investigation of a village in Costa Rica with particular emphasis on the problem of social change in such an agricultural community.

LE BRÉSIL. By Jacques Lambert. Paris: Colin, 1953, 165 p. Fr. 500.
An introduction to Brazil's social, economic and political structure.

AMAZON TOWN. By Charles Wagley. New York: Macmillan, 1953, 305 p. $5.00.
An anthropologist's study, based on extensive field work, of the life and ways of a small town in the Amazon valley.

THOSE PERPLEXING ARGENTINES. By James Bruce. New York: Longmans, 1953, 362 p. $5.00.
An informal group portrait by the American Ambassador from 1947 to 1949.

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SOURCE MATERIAL

By Ruth Savord

I. DOCUMENTS

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington 25, D. C. *Great Britain:* British Information Services, 30 Rockefeller Plaza, New York 20. *United Nations, International Court of Justice, United Nations Educational, Scientific and Cultural Org., Food and Agric. Org.:* Columbia University Press, Int. Documents Service, 2966 Broadway, New York 27. *Int. Labor Office:* 1262 New Hampshire Ave., Washington 6, D. C. Washington imprints are Government Printing Office, London imprints are Her Majesty's Stationery Office, and New York imprints are United Nations, unless otherwise noted.

China

THE KUOMINTANG manifesto and platform adopted by the Seventh National Convention (October, 1952). Taipei, Central Committee, n.d. 11 p.

Commercial Policy and Trade

COMMODITY trade and economic development. New York, 1953. 102 p. (1954. II. B. 1.) 75¢.

EFFECT of trade agreement concessions on United States tariff levels based on imports in 1952. Washington, U. S. Tariff Commission, 1953. 75 p.

IMPORT trade control policy for the licensing period January–June, 1953. Delhi, Manager of Publications, 1953. 246 p. 2s. 6d.

MEMORANDUM on Japan's economy and foreign trade to The Honorable Clarence B. Randall. Washington, Embassy of Japan, 1953. 20 p.

A STUDY of trade between Asia and Europe. New York, 1953. 146 p. (1953. II. F. 3.) $1.50.

Copyright

UNIVERSAL copyright convention. Paris, UNESCO, 1952. 24 p. 50¢.

Economic Conditions

OVERSEAS economic surveys. London, 1953.

Belgium and Luxembourg with an annex on Benelux. 88 p. 3s. 6d. Denmark. 76 p. 3s. 6d. France. 173 p. 5s. Iraq. 48 p. 2s.

European Federation

COUNCIL of Europe. Publications. Strasbourg, Council of Europe, 1953.

1. A policy for Europe today; debate at the Consultative Assembly, September, 1953. 247 p. $1.50. *2.* Refugees and surplus elements of population. 117 p. 50¢. *3.* Some reference to the question of refugees and migration. 49 p.

EUROPA; Dokumente zur Frage der Europäischen Einigung, herausgegeben vom Auswärtigen Amt. Bonn, Bonner Universitäts-Buchdruckerei, 1953. 393 p.

Financial Policy and Exchange

FOREIGN investments of the United States. Census of 1950. Washington, 1953. 61 p. (Supplement to the Survey of Current Business.) 50¢.

THE REVIVAL of monetary policy. Washington, International Monetary Fund, 1953. 16 p.

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